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Summaries of the Committee Draft Reports prepared by the Committee Directors

The draft reports whose summaries follow may be consulted and downloaded from the NATO-PA web site (www.nato-pa.int) under their reference numbers.

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Committee on the Civil Dimension of Security

Bosnia and Herzegovina, Prospects for the Post-Dayton Era

General Rapporteur : Vitalino Canas (Portugal)

Ref: 058 CDS 06 E

The anniversary of the conclusion and signature of the Dayton Accords on 21 November and 14 December 2005 provided an opportunity to take stock of 10 years of reconstruction and transition in Bosnia and Herzegovina and to look to the future. The years 2005 and 2006 mark a turning-point for Bosnia and Herzegovina which should decide the future of the country, both domestically and in its relations with Euro-Atlantic institutions and with the international community in general.

First the report sums up the country's institutional, political and socio-economic reconstruction, the security situation and progress in national reconciliation. An important milestone was passed with the adoption of defence, police and judicial reforms. Nevertheless other essential reforms still have to be put in hand, particularly in public administration and education.

As regards external matters, the report analyses developments in the role and presence of the international community in Bosnia and Herzegovina. The progressive redefinition of the office of High Representative of the international community, and its predicted abolition, is a first essential step in these developments. A second aspect is the progressive handover from NATO to the European Union on the ground.

Bosnia's shift into the post-Dayton phase is actually already under way. On the domestic level, current discussions on a constitutional and institutional reform might lead in the medium term to a revision of the framework established by the Dayton Accords and to progressive emancipation of Bosnia and Herzegovina. On the international stage, Bosnia and Herzegovina is hoping for faster integration into the European Union and NATO, which should set the seal on Bosnia and Herzegovina's transition from the Dayton era to the Brussels era.

The fact remains, however, that Bosnia and Herzegovina is still rebuilding itself in a domestic and regional context that is not yet entirely stable. Tensions between ethnic groups and constituent entities of the Bosnian State re-emerge regularly on sensitive issues. Moreover, the independence referendum in Montenegro, and above all the issue of the final status of Kosovo, raise particularly difficult questions for the region as a whole. Lastly, the trial of war criminals is still an important item in the national and international debate on Bosnia.

Sub-Committee on Democratic Governance

Frameworks and Areas of Co-operation in the Black Sea Region

Rapporteur: Bert Middel (Netherlands)

Ref: 059 CDSDG 06 E

Historically the Black Sea region has been at the crossroads of several influences and civilisations. As the report states, the Black Sea is still at the centre of new processes and security concerns today. The processes of enlargement of the European Union and NATO have brought the frontiers of political Europe right up to the shores of the Black Sea, which is also at the heart of the energy corridors linking Europe to Russia, the Caspian Sea and the Middle East. Lastly, the Black Sea has become an important front line in the fight against new threats: religious extremism, international terrorism, the proliferation of weapons of mass destruction and trafficking in arms, drugs and people.

The region itself has undergone far-reaching changes. The integration of Romania and Bulgaria into NATO and the prospects of these countries and Turkey joining the European Union have

instilled in them a certain sense of responsibility and solidarity towards their neighbours. The wave of democratisation which has swept new pro-European and pro-Atlantic governments to power from Tbilisi to Kyiv has also helped to bring the views and interests of States in the region closer together. In particular this has taken the form of enhanced regional cooperation. Existing organisations such as the Organisation of Black Sea Economic Cooperation (BSEC) or the union of Georgia, Ukraine, Azerbaijan and the Republic of Moldova (GUAM) have been given new impetus. In addition new frameworks for cooperation, such as the Community of Democratic Choice created on the initiative of the Presidents of Georgia and Ukraine, have made their appearance.

However, a number of obstacles to enhanced cooperation in the Black Sea region remain, principally the so-called 'frozen' conflicts in Abkhazia, South Ossetia, Nagorno-Karabakh and Transdniestria, which still hinder relations between States in the region and the relations of its States with the international community. In addition, a number of issues concerning the role of the regional "heavyweights" – Russia, Turkey and Iran – or the exact frontiers of the region, especially in the East towards the Caspian Sea, are not entirely resolved. Lastly, while the European Union and NATO recognise the strategic importance of the Black Sea in the new security environment they still generally ignore regional initiatives and prefer to deal with the States in the region on a bilateral basis.

NATO and Civil Protection

Special Rapporteur: Lord Jopling (UK)

Ref: 060 CDS 06

Aid provided by NATO following Hurricane Katrina or the earthquake in Pakistan has recently drawn attention to the role of NATO in protecting populations against natural disasters and other emergency situations. The report studies the development of the Alliance's role in this area, the principles guiding its action and the tools available to it.

The first operations by the Alliance in response to civil emergencies date from the 1950s. The end of the cold war and the terrorist attacks in the United States on September 11 2001 encouraged the Alliance to redefine its mandate and to adapt its tools to the new security environment. This led *inter alia* to a more substantial commitment by NATO to fighting terrorism and to a geographical extension of its area of intervention, particularly through various partnerships.

Today NATO has several clusters of competence in civil protection: prevention of natural disasters and assistance in the event of disaster; prevention of terrorism and of proliferation of weapons of mass destruction and assistance in the event of terrorist acts. However, it is difficult to see a clear and consistent comprehensive policy in these. Instead, the Alliance's role in civil emergency situations has developed on an *ad hoc* basis, in response to the needs of the moment and because of the added value that NATO could bring to existing initiatives.

The Euro-Atlantic Disaster Response Coordination Centre (EADRCC) is the Alliance's traditional and dedicated tool for intervention in the event of disaster. The Centre's task is to pass on requests for and offers of assistance in the event of a natural disaster or terrorist act and to coordinate the efforts of Alliance member-States and partners. The Alliance has also been able to make the most of the development of its military capabilities and to exploit the potential application of these capabilities to civil emergency situations. Thus AWACS aircraft, the CBRN Battalion or the NATO Reaction Force have been deployed in several recent operations to prevent terrorist acts (Athens and Turin Olympics, presidential elections in Afghanistan) or in response to natural disasters (Hurricane Katrina, the earthquake in Pakistan).

In this sense the extension of the Alliance's role in civil protection is part of the current process of transformation of the Alliance. It also raises the question of dividing lines between civil operations and military operations, and more generally that of civil-military cooperation. Lastly it emphasises the necessity for the Alliance to coordinate its actions, both with partner countries and with other

international organisations active in the field, especially the United Nations and the European Union.

Defence and Security Committee

Lessons Learned from NATO's Current Operations

General Rapporteur: Julio Miranda-Calha (Portugal)

Ref: 061 DSC 06 E

NATO continues to expand its operations to areas well beyond the borders of its members. Most of its efforts outside of Europe focus on Afghanistan, but smaller operations are underway or have recently finished in Sudan, Iraq and Pakistan. Many questions are raised as NATO expands its operational stance: How can we minimize the effects of national caveats? What can we do to ensure interoperability in the face of difficult and distant deployments? How should NATO interface with other international organizations? Is the NATO Response Force (NRF) an appropriate tool for humanitarian relief operations?

The Rapporteur does not attempt to answer all of those questions, but does offer some preliminary observations. Most importantly, he cites the critical need to ensure that all military forces in Afghanistan—either in Operation Enduring Freedom or ISAF—are able to perform a range of operations and do not become subject to artificial divisions. He also notes the need to resolve the common funding issue, which has been brought to the forefront by the deployment of the NRF to Pakistan.

Sub-Committee on Future Security and Defence Capabilities

NATO's Role in the South Caucasus Region

Rapporteur: Frank Cook (United Kingdom)

Ref: 062 DSCFC 06 E

Georgia, Armenia and Azerbaijan sit quite literally on a strategic crossroads. Energy from the Caspian Sea region will increasingly flow through those countries on its way to the global market. Drugs from Afghanistan and elsewhere in Central Asia transit through the South Caucasus region as well. Terrorist groups and extremist Islamist organizations operate in nearby regions and view the Southern Caucuses as a potential conduit to Europe and source of potential recruits.

It should come as no surprise, therefore, that NATO is heavily involved in the region. That involvement takes several forms. Most importantly, NATO has several forms of partnership with those countries to assist their armed forces to develop in a manner consistent with democratic governance. But questions remain about NATO involvement in the region. How effective are those programs and what have they accomplished so far? What more can and should NATO do to promote the reform agenda in the region? How well are NATO's efforts integrated with other organizations' efforts in the region, and are there more opportunities for cooperation? This report provides some background on the countries and the current issues in the region to prepare members for their fact-finding missions to all three countries in the course of 2006.

Subcommittee on Transatlantic Security and Defence Co-operation*Changes in the Forward Deployment of the United States' Military and the Effects on the Transatlantic Alliance*

Rapporteur: John Shimkus (United States)

Ref: 063 DSCTC 06 E

The United States is in the midst of changing how and where it stations its military forces, a process known as the Global Posture Realignment. The United States is reconfiguring its military presence around the world, but the majority of the changes will likely occur in Europe. Many established bases will be closed or downsized, particularly in Germany. In place of those bases, the US is negotiating access to military facilities in new members of the Alliance, particularly Bulgaria and Romania. The purpose of this report is to explain why this is occurring now, what effects those changes are having on the Alliance and on individual members, and offer some suggestions on how the process can be managed to more effectively promote our mutual security interests.

The Rapporteur finds that this is a product of a long line of reviews dating back to the end of the Cold War. What is required to meet current potential situations are flexible forces that can be deployed on short notice to locations in the Middle East, Central Asia or Africa. Therefore, the emphasis in the Global Posture Review regarding the basing of United States forces in Europe is on flexibility and geographic proximity to the potential "hot spots" of the coming decades.

The Rapporteur also notes that the new base use arrangements in Romania and Bulgaria will not have the same large-scale impact as the US military presence in Germany had for many years. The new facilities will house a few thousand troops at any one time and military personnel will not stay for long periods of time with their families. Therefore, the local communities cannot expect large-scale economic benefits from the US military presence.

Economics and Security Committee*Energy Security*

General Rapporteur: Jos van Gennip (Netherlands)

Ref: 064 ESC 06 E

The last century saw rapid growth in energy consumption, and a corresponding expansion in exploration and discovery of new resources. Today, soaring economic growth, coupled with China's soaring demand for energy, has increased global demand. The highly volatile oil price is linked to natural disasters, constraints in capacity, international conflicts and even politically generated risk perceptions. Furthermore, the price volatility drives fear into investors and leads to underinvestment in infrastructure.

The share of the EU's energy demand being met by imports is increasing. Roughly half of the gas consumed in the EU comes from only three countries: Russia, Norway, and Algeria. The European's Commission's recently issued Energy Green Paper identifies three key goals: (1) increasing security of supply, (2) ensuring competitiveness across economies, and (3) promoting environmental sustainability. The Commission argues that only by approaching energy matters collectively can Europe's general interests be adequately defended. However, some countries are placing their national interests ahead of Europe's and some countries are justifying intervention in the energy market as "Economic Patriotism." These acts are blocking ambitions to build a common energy market.

With less than 5% of the world's population, the United States consumes 25% of its oil. America's supply of energy is subject to a number of vulnerabilities: (1) Natural disasters like Hurricane Katrina, (2) tensions in the Middle East, (3) Presidential politics in Venezuela, (4) instability in Nigeria, (5) tensions with Iran, and (6) insurgent attacks in Iraq. The United States is the only

NATO country with sufficient naval assets to credibly defend all of the chokepoints, and America's global military presence ensures the continued flow of oil to itself and to its trading partners.

Breakthroughs in technology have allowed us to more efficiently explore, produce, convert and use energy. The development of Liquefied Natural Gas (LNG) creates a global gas market as opposed to the existing geographically dependent pipeline market. Coal is an abundant domestic resource in many regions of the world, but climate change and low sulphur requirements are decreasing its role in the energy mix. Clean coal technology is coming to the rescue, but the future success of coal also relies on carbon capture and storage technologies. Renewables continue to increase their role in the energy mix. Wind has increased its share in the mix, while new technologies like wave and tidal energy represent new frontiers for renewable energy generation. Solar energy collection methods have also markedly improved in recent years, making this technology ever more viable. Because of climate change some existing technologies, like nuclear power, are garnering a second look.

Europe and its American allies need to conduct dialogue to identify common energy security interests and a strategy for defending energy supplies. At a continental level, Europe must engage Russia in an energy security dialogue. At a global level, an enhanced multilateral energy dialogue with India and China is needed. Greater efforts are needed to facilitate investment in energy infrastructure. Transparent regulatory frameworks can be enormously helpful, but so can energy market liberalisation. Higher energy efficiency standards are needed for transport, appliances, industry, and homes and building. Finally, a range of strategies is needed to accelerate the development of technologies that will bolster energy security and broaden the energy mix. Far more investment is needed in research and both the private and public sectors must be fully engaged. Through these actions, NATO can play an important role in opening up the dialogue and securing energy supplies in the 21st century.

Sub-Committee on East-West Economic Co-operation and Convergence

Transition in Ukraine

Rapporteur Margus Hanson (Estonia)

Ref: 065 ESCEW 06 E

The strategic stakes in Ukraine's democratic evolution are high. A stable and democratic Ukraine could become a vital source of stability in Eastern Europe, a contributor to the prosperity of Europe as a whole, and even a model for a democratic Russia. A weak, non-democratic and economically faltering Ukraine could become a strategic vacuum that would invite the revival of a decidedly undemocratic greater Russian empire.

Ukraine's initial post-Soviet political evolution was marked by the persistence of pervasive corruption, uncontrolled security forces and the use of intimidation and even violence against government opponents. The Orange Revolution, by contrast, marked a seismic shift in Ukrainian politics. While Russia's democracy appears to be weakening, the Yuschenko administration's tenure has witnessed an improved climate for human rights, media freedom, and political tolerance as well as redoubled efforts to join the EU and NATO. Yet the situation has remained unstable. President Yuschenko sacked then-Prime Minister Yuliya Tymoshenko last fall and Tymoshenko responded by forming an opposition party that performed well in the March parliamentary elections. In December 2005, the Russian energy giant Gazprom more than tripled its rate for imported natural gas. In addition, recent constitutional amendments shifting power from the President to the Prime Minister's office have aligned Ukraine with Western European norms but have also sown institutional confusion, and the March elections called into question the staying power of the Orange Revolution.

Economically, a range of problems beset Ukraine's struggling if growing private sector, including an unreliable legal system, endemic corruption, onerous business regulations, inefficient and arbitrary tax collection, and institutional and regulatory problems. The persistence of "clan"

networks in regions like Donetsk have also impeded liberalisation. Throughout the 1990s, Ukraine's economy shrank in real terms. A five-year recovery that began in 1999 saw average annual growth of 8%. Reforms introduced by then-Prime Minister Yuschenko in 2001 increased transparency while lessening the power of energy oligarchs. Growth fell precipitously in 2005 due to political uncertainties in the wake of the Orange Revolution and the Tymoshenko government's desire to undo previous privatisations. A lack of transparency, blatant cronyism and corruption characterized much privatisation of the Kuchma years, but Tymoshenko's desire to re-sell state firms was dangerous in a transition economy. Investors hoarded cash and a crisis of confidence helped lower Ukraine's GDP growth rate from 12% in 2004 to 3% in 2005. Following Tymoshenko's dismissal, the government decided that only one re-sale would be held: that of a steel firm that had been privatised illegally. The re-sale raised \$4.8 million for the state. Ukraine still has significant assets to privatise in the energy, telecommunications and infrastructure sectors, and efficient and fair auctions would raise much-needed revenue. Finally, some believe that Ukraine will not enjoy sustained economic growth until it integrates into the global economy. A moderation of Western protectionism would help, particularly in the agriculture and steel sectors—all now subject to sharp EU import limits.

Since the Orange Revolution, a concerted effort to upgrade the EU's relationship with the Ukraine has included progress on anti-dumping legislation, efforts to simplify visa rules, progress on a feasibility study on a free trade agreement, and inclusion of Ukraine in the EU's European Neighbourhood Policy (ENP). Although uncertainty about the EU's direction leaves Ukrainian membership in doubt, Europe has a strong interest in fostering Ukrainian reform. An ENP-sponsored 10-point Action Plan offers a range for incentives, including EU support for Ukraine's WTO candidacy and increased EU technical assistance. Energy and transport are two issues where the EU and Ukraine have several important overlapping interests. 80% of the Russian gas that the EU consumes passes through Ukraine, and the near-shutdown of Gazprom-provided natural gas to the Ukraine in January demonstrated that the Ukraine is central to Europe's energy security.

For their part, the US, Canada and NATO have also intensified their cooperation with Ukraine. The Bush Administration embraced the Orange Revolution despite Yuschenko's pledge to withdraw Ukrainian troops from Iraq, and a very large Ukrainian immigrant community ensures that Canada has a keen interest in the country. A NATO Membership Action Plan could be adopted this year, although Russia would use all of its leverage to prevent full membership. Ukraine's relationship with Russia remains problematic at best. Vladimir Putin bet on a Yanukovich victory in the Presidential elections and some in Moscow saw the Orange Revolution as a major defeat. While Ukrainian leaders desire a good and respectful relationship with Russia, Ukraine's near-total dependence upon Russian energy constitutes a strategic Achilles' heel.

In conclusion, Ukraine needs Allied support if it is to carry out an effective transition strategy. The credible prospect of full EU and NATO membership would bolster Ukraine's efforts to reform, as would the opening of Western markets to Ukrainian goods. Allied countries could also help Ukraine nurture the development of its future leaders through university scholarships, exchange programmes, internships and other training opportunities. Efforts to engage Ukrainian parliamentarians in dialogue would be particularly useful for pinpointing potential areas of assistance in the legal, judiciary, and financial sectors. At the same time, our efforts will be in vain if Ukrainian leaders do not keep their own promises to reform.

Sub-Committee on Transatlantic Economic Relations*China's Development Challenge*

Co-rapporteurs: Petras Austrevicius (Lithuania) and John Boozman (United States)

Ref: 066 ESCTER 06 E

The international community is looking to China to play a positive and engaged role in international relations and the Chinese leadership claims that this is precisely what it seeks to achieve. But for China to maintain its outward orientation and for it to raise its own stakes in the global order, it will have to ensure that its less developed regions in the hinterland of the country share in this sense of ownership.

The current leadership appears increasingly focused on developing China's rural areas. The "New Socialist Countryside" initiative launched by Chinese Premier Wen Jiabao in March 2005 promises to have a rapid and profound impact on life in China's hinterland. The plan intends to attack income poverty and improve social education and healthcare indicators. Meanwhile, President Hu Jintao has invoked the notion of a 'harmonious society' that balances growth with social fairness and environmental protection. The government's new policies have already provided a degree of poverty alleviation in some regions, but some economists worry that this essentially statistic approach could also nourish aid dependencies, without providing the micro-economic context for more sustainable, long term growth. Some have also argued that these development initiatives, rather than being borne out of genuine concern for the plight of China's huge peasant population, are a way of re-asserting party control over a society which is increasingly claiming its own degree of autonomy.

The current size and forecasted expansion of China's population has major implications for economic growth. Dynamic demographic change, for example, has highlighted the structural problems complicating public health care management in China. Attenuating social security provision has been one of the primary factors driving the rural protests about which central authorities have grown increasingly concerned. Tangible problems such as corruption, single party government and taxation dominate the agenda of most protesters. This raises deep concerns about the potential for a backlash against the 'growth at all costs' mentality while also highlighting the need for a stronger degree of political pluralism in China as a pre-requisite for a more prosperous countryside in the longer term.

Foreign direct investments (FDI) along with internal economic reforms have been critical elements in China's explosive growth since 1978. Despite this, FDI inflows into China are still well below those of the OECD on a per-capita basis and much of it is concentrated along the coastal regions of the country. One of the keys to broader development in China will therefore involve attracting greater foreign and Chinese capital to the country's interior regions. Energy poses another primary constraint to the country's development. It has been estimated that by 2015 imported energy will account for more than half of China's energy use and will likely rise further thereafter. Fearing a major supply crisis, China's leaders have embarked on a massive effort to achieve energy security on both supply and demand sides in order to power economic development.

Finally, China's economic rise is not only a story of that country's internal economic development. It also has implications for much of the developing world. China has become a critical commodities consumer, and its demand has driven up the price of a range of raw materials produced in the developing world. China has also become extremely active diplomatically and economically in regions that supply it with much-needed raw materials. The complex and dynamic relationship with many African countries provides a case in point. Meanwhile, because China has grown at such a rapid pace and because of its expanding donor status and its increased spending on defence, there is an important discussion in the west and within international development institutions about the degree to which it should continue to receive development assistance.

To conclude, there are a number of ways in which the West can work to ensure China's continued engagement. The West must support the development of China's interior regions through further

liberalization of global agricultural markets within the Doha framework, and by offering technical support at national, provincial and township levels in areas like governance, fiscal and legal reforms as well as in poverty reduction strategies and environmental clean-up. China, meanwhile, may need to further amend its overall development strategy which has placed such a premium on overbuilding physical capital while imposing terrible burdens on the environment, the healthcare system and neglect for the poor.

Monitoring G8 Commitments to Developing Countries

Special Rapporteur: Hugh Bayley (United Kingdom)

Ref: 067 ESC 06 E rev. 1

During 2005, the so-called 'year of development', the international community undertook a wide array of high-level inter-governmental conferences including the Paris High Level Forum on Aid Effectiveness, the G8 Gleneagles Summit and the UN World Summit. These meetings produced several declarations and initiatives intended to advance the development agenda and generate momentum towards achieving the Millennium Development Goals (MDGs).

NATO countries hold a number of stakes in African development. The security and development agendas are not always well coordinated but development is increasingly becoming a strategic tool for conflict prevention and resolution. This is a result of the growing recognition, since 9/11, that failed states pose a major threat to international security and that insofar as development becomes sustainable it can potentially reduce the burden associated with crisis prevention and conflict. The interplay between development and security can also be seen in risks that transcend states: mass migration, refugee problems, transnational crime, environmental catastrophe and epidemic disease are all burdens on the international system as a whole.

In the past there have been large gaps between development pledges and actual delivery. It is therefore necessary to take stock of recent development commitments; and to highlight the mechanisms for monitoring their progress. Given that the scaling up of Official Development Assistance (ODA) represents a major component of the recent commitments, a discussion about aid effectiveness and aid coherence is designed to set the stage for the more detailed examination of the pledges made during 2005 that follows.

While developed countries play a crucial role in creating the conditions that will help African countries reach the MDGs, the primary responsibility lies with developing country leaders. One of the most high profile concepts informing the current development debate and resulting pledges has been that of 'African solutions to African problems'. Also important has been the belief that the foundations of Africa's development must rest on good governance, peace and security. It is therefore necessary to examine how African initiatives have addressed the security-development nexus and, using the conflict in Darfur as a case study, to explore the different ways in which NATO might be able to support the nascent African Union peace and security architecture.

Actors approaches to aid and development can vary widely but what is certain is that both developed and developing country leaders made important and concrete development commitments in 2005. The focus now lies on mechanisms both to implement and monitor implementation. Parliamentarians are well positioned to ensure that commitments are realized. By scrutinizing legislation, budgets and policy through the lens of poverty reduction and using privileges such as access to ministers and government departments, parliamentarians can play a major role in ensuring that development pledges are translated into tangible action. Equally as important, parliamentarians can use their positions to mobilize the grassroots and engage their electorates in the development process.

Political Committee*Afghanistan and the future of the Alliance*

General Rapporteur: Bert Koenders, (The Netherlands)

Ref: 068 PC 06 E

The Political Committee's General report for the 2006 Spring Session stresses that Afghanistan is the litmus test for NATO's ability to meet current and future security challenges. Allied operations in Afghanistan are part and parcel of the debate on the transformation of the Alliance and that the outcome will heavily impact on NATO's military and political cohesion.

The Rapporteur therefore concludes that NATO must apply the lessons of the operations in Afghanistan to NATO's ongoing military and political transformation. Lessons learned in Afghanistan include, among others, that Allies need to achieve and maintain a stable, long-term consensus on the political and military goals as well as the corresponding means. Improving interoperability among its forces remains crucially important for the success of NATO's current and future operations. As the cumbersome consensus building on funding joint operations has limited its effectiveness in Afghanistan NATO must urgently review the process of common funding for operations.

NATO's involvement in Afghanistan reflects the recognition that the Alliance is in the midst of a both physical and philosophical transformation that has already resulted in a more proactive alliance that is operating beyond its traditional borders to project security and stability. To prevent spill-over of crises from the regions of Europe's periphery, NATO is likely to be involved in 'out-of-area' missions that will include longer-term deployments with both military and non-military components.

In contrast to the Cold War, the Allies will have to put a premium on conflict prevention and thus need to apply military, political, economic, and other instruments in a well-coordinated way. Therefore, NATO must be able to discuss all issues that can impact the security of its member states. The list of topics for consultations should include issues such as Iran, Iraq, Congo, Darfur and energy security, among others. That said, the Alliance should not become 'globocop', and its guiding principle must be practicality. Not every security problem in the world is of direct concern to NATO, and it cannot solve every issue. There are many so-called 'soft' security issues whether others, e.g., the UN and the EU, can bring more to the table than NATO. Nonetheless, today's complex security challenges will demand more, not less, NATO.

Sub-Committee on NATO Partnerships*Central Asian Security – The Role of NATO*

Rapporteur: Marco Minniti (Italy)

Ref: 069 PCNP 06 E

This report provides a short overview of the security issues in the region as well as NATO's progress in building a security relationship with the five countries of Central Asia, namely the Kyrgyz Republic, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan.

Inhabiting an important and competitive geo-strategic environment bordering Russia, Iran, China, and Afghanistan, these Central Asian countries face many problems including ethnic conflicts, human- and drug-trafficking, and political and economic instability whose consequences are felt far beyond the region itself. As the region has also become the advanced post in fighting terrorism, religious extremism and drug trafficking, the Central Asian republics feature much more prominently on NATO's security agenda. Unfortunately, the countries themselves are weak, suffering from poor, corrupt, and inefficient state bureaucracies only marginally reformed since the end of the Soviet era. Revenues from oil or natural gas exports, when they materialise, are often used to consolidate the power of entrenched elites. Many people depend upon the government for

their livelihood, and large patronage networks aid the concentration of Presidential power, the repression of opposition groups, and the spread of corruption. Confronted by Islamic radicalism and serious ecological challenges while suspicious of each other's intentions, Central Asian countries suffer from the real danger that one of their number could collapse into a failed state and become a source of regional instability.

While all five Central Asian countries are members of the Partnership-for-Peace (PfP) programme, none seriously contemplates full NATO membership. Their level of participation varies from country to country. Their main motivation for co-operation in PfP is their need to improve their military capabilities. Co-operation with NATO also provides an enhanced sense of international legitimacy. NATO's own goals for the region involve achieving stability in Afghanistan, implementing defence reforms that could contribute to broader democratic reform, and modernising Central Asian militaries in a way that could allow for interoperability with NATO forces in peacekeeping operations.

The Rapporteur suggests that the Alliance should continue assisting Central Asian countries, albeit by showing Partners the added value of closer regional co-operation especially in the areas of drug trafficking, trans-regional crime, water and border disputes and terrorism. Regrettably, there is no co-ordination between the EU and NATO on jointly implementing proposed reforms in Central Asia, even though many of the PfP's defence-sector reforms would ideally be accompanied by economic and political reforms that the EU encourages through its Tacis programme. The Rapporteur concludes by calling for co-operation between NATO and the EU as the most effective way to enhance stability and advance reforms in Central Asia.

Sub-Committee on Transatlantic Relations

Iran – A Challenge for Transatlantic Co-operation

Rapporteur: Ruprecht Polenz (Germany)

Ref: 070 PCTR 06 E

After briefly recalling the characteristics of the Iranian nuclear programme and the reasons for which the international community could legitimately doubt its exclusively civil vocation, the Rapporteur analyses the potential consequences of Iran's access to a military nuclear capacity: increased fragilisation of the Nuclear Non-Proliferation regime, plus heightened tension and an accelerated arms race in the region.

In light of this challenge, the Rapporteur warns against any radical approach and rejects a military solution that could only, in his view, reinforce Iran's determination without guaranteeing any halt of the programme leading to nuclear weapons. He recognises however that a diplomatic solution cannot be successful without a strong determination of the international community, bringing together Russia and China with the West. He suggests that a five-year moratorium on enrichment of fissile material and reprocessing could be proposed to Iran and that this period be used for the development of an international treaty banning the production of fissile materials for nuclear weapons. He also believes that a dialogue on security, and economic co-operation should be initiated with Iran. According to the Rapporteur NATO must become the arena within which the Allies co-ordinate their policy with respect to Iran.

Science and Technology Committee

Pursuing Interoperability: the Need for Transatlantic Technological Cohesion

General Rapporteur: Pierre Claude Nolin (Canada)

Ref: 071 STC 06 E

In the post-Cold War security environment, the Alliance makes sense only if the Allied forces have the ability to participate effectively in multinational operations and be interoperable with each other.

This cannot be achieved if the existing transatlantic capability gap remained. Since a tangible increase in European military spending is not anticipated in the foreseeable future, the only prospect of bridging the capability gap is by enhancing the efficiency of the spending. For that, the European decision-makers need to set clear priorities for Europe's military research, development and procurement.

The priorities set by the PCC provide a very useful guidance, but policy-makers should also consider even more distant realities, especially the notion of network-centric warfare (NCW).

The draft report focuses on two sets of capabilities:

1) 'platform-centric' capabilities, designed to enhance countries' ability to participate in out-of-area operations. Most of these capabilities - such as strategic lift, air-to-air-refuelling, precision munitions or CBRN defence - are covered by the PCC.

2) 'network-centric' capabilities. Interoperability in NCW is not merely about procurement of modern equipment, it is also about the ability to "plug" into other nation's networks and receive and share relevant information in real time. NCW links all battle entities within an interactive network, using satellite imagery, manned and unmanned reconnaissance aircraft, ground sensors, and other enablers. This should result in much greater survivability, lethality and responsiveness of armed forces.

Development of indigenous network-centric capabilities would not only allow Europe to be interoperable with U.S. forces, but would also ensure its military autonomy by relieving European countries from the necessity to rely exclusively on American network-centric assets. In the short- and medium-term, however, the more advanced American NCW technologies will remain indispensable for coalition warfighting, especially when it comes to the NRF. Therefore, it is critical that the U.S. and its allies strengthen their dialogue in order to ease technology transfer policies and facilitate effective sharing of relevant technical information. NATO efforts should be supported and strengthened to develop an overarching NCW architecture with common protocols and interfaces, wherein all allies could 'plug-and-play' seamlessly and in real time.

Sub-Committee of the Proliferation of Military Technology

Nuclear Policy of Iran

Rapporteur: Diana Štrofová (Slovakia)

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The challenge of Iran's nuclear programme requires the Euro-Atlantic community to come up with a clear and unified strategy towards Iran. Such a political strategy should be based on a sound and sober understanding of technological characteristics of this programme, in order to avoid the many myths that may lead to ill-founded decisions.

Examining the scope of Iran's nuclear endeavours, it becomes evident that Iran seeks to develop all elements of nuclear fuel cycle, including mining of uranium ore, production of the 'yellowcake', uranium conversion, uranium enrichment, fuel fabrication, construction of nuclear power and research reactors (including heavy-water facilities), spent fuel disposal and reprocessing. Interestingly, Iran's progress has been uneven in different sectors of nuclear fuel cycle. For example, advancements in uranium conversion and enrichment seem far more tangible than progress in building civilian power plants. The suspicion toward Iran's nuclear programme is also reinforced by country's long history of concealment, Tehran's cooperation with A.Q. Kahn network, and the absence of firm economic rationale for the full nuclear cycle.

Since the reveal of nuclear facilities in August 2002, all international efforts to address the problem have come to a dead end. Even though the so-called EU-3 initiative, the numerous attempts made by the IAEA, and the recent 'Russian proposal' can all be seen as conciliatory efforts of engagement rather than confrontation, all have failed on the grounds of the Iranian claim of right to

have an independent, sovereign, self-sustainable nuclear program. This right is granted by the NPT, but the problem lies in Iran's continuous record of concealment and the resulting lack of trust.

Although there has been no confirmed evidence, indications point to an alleged interest in constructing nuclear weapons devices. Meanwhile Iran pursues a serious missile program by the means of developing an indigenous missile production capability. The status of missile development remains unclear, progression is likely to be slow however, as Iran greatly depends on foreign aid in technology and 'know how'.

Iran clearly demonstrates the vulnerabilities of the current international system of nuclear non-proliferation. The major difficulty is that the present international norm is too permissive, as the NPT does not provide tangible and automatic sanctions against violators. The treaty also fails to effectively address the problem of dual-use nature of nuclear reactors and fissile materials. Finally, the IAEA's verification authority remains limited even when a country is found in non-compliance.
