

MATCHING REALITY WITH NECESSITY: A DEFENCE POLICY TO 2025



The NATO Association of Canada

L'Association Canadienne Pour L'OTAN

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Matching Reality With Necessity: A Defence Policy to 2025
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The NATO Association of Canada

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The NATO Association of Canada is an independent, non-profit, non-governmental organization dedicated to the idea that the transatlantic relationship between Canada and the United States, and the nations of Europe, is of critical importance to Canadians in cultural, economic, and security terms. The NAOC's mandate is to promote a broader and deeper understanding of international peace and security issues relating to NATO.

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TERMINOLOGY:

CFDS (Canada First Defence Strategy)
CAF (Canadian Armed Forces)
CDAI (Conference of Defence Associations Institute)
DND (Department of National Defence)
ISAF (International Security Assistance Force)
NORAD (North American Aerospace Defense Command)
UN (United Nations)
NATO (North Atlantic Treaty Organization)
RAP (Readiness Action Plan)
NRF (NATO Response Force)
VJTF (Very High Readiness Task Force)
CAF (Canadian Armed Forces)
PSTC (Peace Support Training Centre)

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FOREWORD

Every new government faces a firehose of advocacy and representations on what choices to make and what policy directions to choose.

The NATO Association of Canada is not a lobby or advocacy organization. It is the Canadian chapter of a NATO-wide civilian NGO that reflects on the values of the North Atlantic Treaty and encourages discussion, education, and understanding of the principles of common defence, political freedom, and respect for democracy and human rights under the NATO umbrella.

It is in that spirit that this working paper, *Matching Reality with Necessity: A Defence Policy to 2025*, has been researched, prepared and disseminated. Strengths and weaknesses of existing defence policy over the last twenty years are addressed with equanimity. Options that any new or re-elected government might well consider are laid out. Exogenous pressures and tensions around the world are addressed, as are our ongoing Canadian treaty organizations.

This working paper was researched and prepared by a group of thoughtful and engaged youth, all post-baccalaureate or graduate students and part of the remarkable group of interns who do so much for the NATO Association of Canada. While the views in this paper are those of the authors, I am delighted to commend this report to your constructive consideration. For parliamentarians on all sides of any partisan divide, who care about future defence choices and challenges, this paper is a constructive and thoughtful road map to critical choices and decisions now within the purview of Canada's new government and parliament.

Regards,

Hon. Hugh D Segal, CM

Chair

The NATO Association of Canada

Executive Summary

The Canada First Defence Strategy

The Canada First Defence Strategy (CFDS) was first developed in 2006 in order to produce a detailed outline of Canada's defence and security needs in the 21st century. It envisions numerous scenarios for the Canadian Armed Forces (CAF) that would require a detailed future defence strategy.

The CFDS outlines three major roles for the CAF in order to satisfy the requirements of the current international, and domestic, security environment facing Canada:

1. The Canadian Armed Forces require the capabilities to meet the security challenges facing Canadian citizens and Canadian territory.
2. The Canadian Armed Forces will cooperate with the United States in pursuit of shared defence and civil objectives.
3. The Canadian Armed Forces will meet Canada's multilateral obligations through the United Nations (UN) and North Atlantic Treaty Organization (NATO).

According to the Parliamentary Budget Officer to maintain the current capabilities, and ensure the ability of the CAF to meet future targets and challenges, defence spending should increase by 2.5% per year.

Domestic terrorism, environmental degradation and issues of Arctic sovereignty will emerge as serious defence and security concerns in the 21st century. An increasingly volatile global security environment will necessitate the readiness of the CAF in a wider variety of roles and operations.

Climate change will require attention from Canada's government in order to address threats to maritime shipping routes, natural resource stocks, and the Canadian citizenry.

Renewed commitment to NATO's Centres of Excellence and the NATO Response Force are guarantees made by previous governments that should not be forgotten. Material acquired for Canada's broad commitment to the Alliance will also be suitable for domestic defence and security purposes.

The Way Forward

Public Works and Government Services Canada should continue with priority in updating Canada's military hardware procurement. The Canadian Air Force CF-18 Hornets require urgent replacement. New surveillance and search and rescue aircraft are required in order to avoid diminishing Canada's capabilities to meet multilateral operations and secure Canada's Arctic.

Procurement projects across the Canadian Army, Royal Canadian Navy and Royal Canadian Air Force should continue in order to complete the Defence Procurement Strategy (DPS).

A reasonable increase to 100,000 regular and 50,000 reserve CAF members by 2020 should be considered in order to meet the increasing tempo of existing operations, new procurements and emergency deployments. Instituting gender quotas in actual numbers, reinforcing indigenous recruitment programs and amending the CAF retention policy towards skilled veterans should be scrutinized in order to improve the CAF's effectiveness.

Investment in the Arctic, both military and civil, should remain a focus of Canada's government. Completion and renovation of deep water port facilities in Nunavut and the Northwest Territories, renovation of Resolute Bay Airport and the berth of Canada Coast Guard's Polar Class Icebreaker in Churchill, Manitoba should remain a priority for securing Canada's Arctic.

Finally, reviewing the mandates of NATO Centres of Excellence (COE) for potential future cooperation and pursuing NATO accreditation for the Peace Support Training Centre in Kingston, Ontario would provide useful input for defence practices, and further deepen strategic cooperation with NATO and other multilateral organizations.

Sommaire exécutif

Stratégie de défense Le Canada d'abord

La Stratégie de défense Le Canada d'abord (SDCD) a été premièrement développée en 2006, afin de fournir un cadre précis pour la défense du Canada et les besoins en matière de la sécurité au XXI^e siècle. Elle envisage de nombreux scénarios pour les Forces armées canadiennes (FAC) qui exigeraient une stratégie détaillée de défense pour l'avenir.

La SDCD décrit trois rôles principaux pour les FAC afin de satisfaire aux exigences de l'environnement de la sécurité actuelle internationale et nationale auxquels le Canada ferait face:

1. Les Forces armées canadiennes exigent les capacités de répondre aux défis de la sécurité auxquels les Canadiens et le territoire du Canada feront face.
2. Les Forces armées canadiennes continueront à collaborer avec les États-Unis dans la poursuite d'objectifs civils et de la défense commune.
3. Les Forces armées canadiennes permettront au Canada de respecter ses obligations multilatérales par l'entremise des Nations Unies (ONU) et l'Organisation du Traité de l'Atlantique Nord (OTAN).

Selon le directeur parlementaire du budget afin de maintenir les capacités actuelles, et d'assurer la capacité des FAC pour atteindre les objectifs et les défis à venir, les dépenses de la défense devraient augmenter de 2,5 % par année.

Le terrorisme intérieur, la dégradation de l'environnement et les questions de la souveraineté dans l'Arctique poseront des problèmes sérieux pour la sécurité et la défense au XXI^e siècle. Un environnement de sécurité mondiale de plus en plus instable nécessitera l'état de préparation des FAC dans une plus grande variété de rôles et d'opérations.

Les changements climatiques exigeront l'attention du gouvernement au futur en vue de faire face aux menaces aux routes de navigation maritimes, aux stocks de ressources naturelles, et aux Canadiens.

Un engagement renouvelé aux centres d'excellence de l'OTAN et la Force de réaction de l'OTAN sont des garanties faites par les gouvernements précédents qui ne devront pas être oubliées dans l'avenir. Le matériel acquis pour l'engagement vaste du Canada à l'Alliance pourra également être adapté aux buts de la défense et de la sécurité nationale.

La voie de l'avenir

Travaux publics et Services gouvernementaux Canada devront poursuivre en priorité dans la mise à jour de l'achat des matériels militaires. Les CF-18 Hornets de la Force aérienne doivent être remplacés d'urgence.

De nouveaux aéronefs de surveillance, de recherche et de sauvetage sont nécessaires pour améliorer la capacité du Canada pour répondre aux opérations multilatérales et de sécuriser l'Arctique canadien.

Les projets d'acquisition dans toute l'Armée canadienne, la Marine royale canadienne et de la Force aérienne canadienne devraient se poursuivre afin de compléter la stratégie d'approvisionnement de défense.

Un but raisonnable de 100 000 membres réguliers et 50 000 membres de la réserve d'ici 2020 devrait être considéré afin de répondre à la cadence croissante d'opérations actuelles, de nouveaux marchés et de déploiements d'urgence.

Des quotas sexospécifiques en chiffres réels, et le renforcement de programmes de recrutement d'autochtones ainsi que la modification de la politique de conservation des FAC vers anciens combattants qualifiés devraient être examinées attentivement afin d'améliorer l'efficacité des FAC.

L'investissement dans la région arctique du Canada, militaire et civile, doit rester au centre du gouvernement. L'achèvement et la rénovation des installations portuaires en eau profonde dans le Nunavut et les Territoires du Nord-Ouest, la rénovation de l'aéroport de Resolute Bay et la couchette de Polar Class Icebreaker de la Garde côtière du Canada à Churchill au Manitoba devraient rester au priorité pour assurer la sécurisation de l'Arctique canadien.

Enfin, examiner les mandats des centres d'excellence de l'OTAN pour la coopération potentielle au futur et la poursuite de l'accréditation par l'OTAN de la Centre de formation pour le soutien de la paix à Kingston, Ontario, seraient des contributions utiles pour les pratiques de la défense, et pour approfondir la coopération stratégique avec l'OTAN et d'autres organisations multilatérales.

I: Canada & The Canada First Defence Plan

Introduction

The 2006 Canada First Defence Plan (CFDS) is a detailed road map for the modernization of the Canadian Armed Forces (CAF). It was to be implemented through an extensive analysis of CAF capability requirements and lessons learned in theatres such as Afghanistan, and more recently Iraq and Syria. According to the Department of National Defence (DND), the plan's goal was to produce a "first class, modern military that is well trained, well equipped and ready to take on the challenges of the 21st century."

The DND envisaged a multitude of scenarios for Canada that would require a future defence strategy. The decade after the Cold War saw numerous cutbacks. One example was the cutting of 27,000 CAF regular force members between 1989-1999 as part of Program Review, while another was lapsed procurement programs, such as the continued lack of transport trucks for the army. These years ultimately left the CAF with dangerous capability and funding gaps in the face of emerging threats like ethnic fragmentation in the former Yugoslavia, regime collapse in Africa, and the growth of Islamist insurgencies in the Middle East.

On the home front, the CAF needed to prepare itself for natural disasters or security incidents which could overwhelm local capabilities. More recently, a changing, more accessible, Arctic region has introduced a potential new theatre of operations, while asymmetrical threat developments, such as home grown terrorism and cyber-attacks, require new policies and capabilities to defend against them. Learning from co-operative military and humanitarian operations in the Middle East, the CFDS also highlighted the importance of the CAF's becoming a multi-role, fully integrated and flexible military that would work in partnership with the civilian government, applying the lessons learned over the past two decades.

Three Roles

The CFDS laid out three major roles for the CAF. These are to "deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by making meaningful contributions to international security."

Firstly, the CAF needs the proper capabilities and leadership to ensure the security of Canadian citizens and Canadian territory. This means maintaining adequate readiness for domestic crises such as earthquakes and floods, maintaining crisis response readiness within Canadian Reserve units, and deploying search and rescue teams as required. The CFDS also covers working with federal agencies to ensure constant monitoring and security of Canadian air, land and maritime territory, and responding appropriately to domestic terrorist flashpoints.

Secondly, the CAF will share mutual responsibility and leadership with the United States, specifically US Northern Command, in pursuit of shared defence or civil emergency crises. As a committed partner of the North American Aerospace Defence Command (NORAD) since 1956, the CAF will continue to thoroughly contribute to the defence of North America, including early warning, detection and interception in maritime, air and land vectors. The CAF will also place priority on both interoperability in doctrine and equipment with the US, and continue with joint training exercises and personnel exchanges. An example is the Outside Canada (OUTCAN) program, which liaises CAF officers with NORAD and other DND approved joint mandates.

Thirdly, the CAF will project leadership internationally and contribute in multilateral United Nations (UN) and North Atlantic Treaty Organization (NATO) peace and security missions. Canada remains heavily invested in the globalized trade network, and requires that the CAF retain the full spectrum of intervention capabilities, from humanitarian assistance to combat enforcement operations.

Six Core Missions

The CFDS takes its three broad roles and further articulates them into six mission mandates. The CFDS mandate maintains that the CAF should be capable of simultaneously, and on short notice, conducting its mandates through Canadian or allied defence and security agencies within Canada, North America and around the globe (NATO). The missions are as follows:

1. To conduct daily domestic and continental operations, including in the Arctic and through NORAD.
2. Support a major international event in Canada, such as the 2010 Olympics;
3. Respond to a major terrorist attack.
4. Support civilian authorities during crises in Canada such as a natural disaster.
5. Lead and or conduct a major international operation for an extended period.
6. Deploy forces in response to crises elsewhere in the world for shorter periods.

The CFDS mission mandates are considered to meet the most likely range of threats to Canadian national security over the next two decades, while also encompassing Canada's security contributions to the international community. To achieve this, the CFDS expressed a necessity for the CAF to pursue closer participation with both civilian defence and security agencies, and the DND, meeting new challenges with a fuller, more rounded, whole-of-government approach.

Lessons From Afghanistan

CFDS identifies three initial lessons learned from Canada's contribution to the NATO deployment in Afghanistan which contributed to the applied financial and procurement strategy of CFDS.

1. The lack of combat ready personnel available at the outset of the CAF's contributions to the International Security Assistance Force (ISAF) emphasized the value of constant training and readiness programs.
2. Capability gaps left the CAF reliant on other ISAF members for specialized equipment and training, particularly for attack helicopters, global logistics movement and joint command units.
3. The complex demands of reconstruction, nation building and counter-insurgency campaigns showed the value of working closely with ISAF and regional allies.

CFDS Fiscal Allocation in 2008-2009

The CFDS laid down a long-term fiscal policy, beginning in the 2008-2009 spending cycle and continuing up to 2027-2028. With a total forecasted budget of CAD \$490 billion, the financial breakdown is as follows:

- Personnel expansions received of 51%, or \$250 billion, of the initially forecasted annual budgets between 2008-2028 – the majority earmarked towards increasing the CAF's combat strength to 70,000 regular and 30,000 reservists by 2028.
- The next largest share, \$140 billion or 29%, went towards CAF readiness programs in maintenance, training and spare parts, aimed at preparing for long-term international deployments.
- Previous defence procurements such as the C-17 Globemaster and C-130J Hercules claimed \$15 billion, or 3%. New procurement projects received \$20 billion, or 4%. The CFDS placed emphasis for new procurements on plugging capability gaps within the CAF, with future, long term procurement focused on destroyers and frigates, maritime patrol aircraft, fixed wing search and rescue aircraft, land combat vehicle maintenance, and the fighter jet program.
- Infrastructure received \$40 billion, or 8%, for much-needed repair and retrofitting projects of the CAF's aging military bases, as well as new bases in the Arctic. \$25 billion, or 5%, went towards secondary programs aimed at retrofitting small arms and communications equipment.

Initial Successes of the CFDS

The early days of the CFDS during the NATO deployment to Afghanistan showed positive results with the Strategic Lift Aircraft Replacement Program. Recognizing the capability gap of the CAF in the fields of global transportation and deployment, capital project funds from the CFDS were invested to purchase four C-17 Globemaster aircraft. An additional C-17 deployable since 2014, and the purchase of 15 C-130J Hercules aircraft for additional logistics support grants the CAF the ability to launch expeditionary military or disaster relief operations anywhere in the world without relying on other states, effectively addressing a capability gap highlighted by the CFDS.

As of 2015, procurement projects in progress include 2,300 army supply trucks, 100 refurbished Leopard A2 tanks from the German Bundeswehr, and six Arctic Patrol Ships (AOPS) based on the Norwegian *Svalbard* class. The DND continues its commitment, through the CFDS, of identifying and procuring the best replacement for the CAF's fleet of CF-18 Hornet fighter aircraft.

CFDS Stagnation

In 2011, officials from the DND declared the CFDS unaffordable at the same time that then Defence Minister Jason Kenney announced new procurement plans for air superiority fighters, armored vehicles, and new maritime patrol planes. In part due to the amount of capital reserved for or invested in programs such as the AOPS program and Leopard A2 refurbishments, the CAF has been forced to make cuts to even rudimentary maintenance and training. A 2013 memo from CAF General Tom Lawson to the DND warned that continued budgetary cuts threatened the availability of key assets of aircraft, ships and army platforms.

Despite the CFDS' promise of 20 years of predictable, extensive funding growth, following the 2008 financial recession, the DND announced its first three-year operating freeze in 2010. While the promised 2% raise did appear in the 2011-2012 DND fiscal cycle, cuts to the DND's Strategic Review and capital cuts under the Deficit Reduction Action Plan removed upwards of \$2.2 billion from the DND's budget. In the 2012 and 2014 budgets a further \$6.7 billion earmarked for CFDS capital projects was removed entirely, and an additional budget freeze announced. The DND budget for 2014-2015 totaled \$20 billion.

To retrofit and repair from the demanding deployments of recent years, and oversee necessary modernization programs to maintain capability, the CAF will require a further \$33-\$42 billion over the next decade, according to estimates by Parliamentary Budget Officer Jean-Denis Frechette.

Many recommendations, such as the F-35 Joint Strike Fighter or AOPs program, are large scale projects, and require large amounts of capital to be set aside for contract use. While these projects have gone through several years of negotiations, the earmarked capital funds having gone reserved and unspent in the budget. Since the introduction of the CFDS in 2008, \$8.1 billion has been unused and reserved for potential capital purchases. For the DND's 2014-2015 fiscal cycle, this amounts to over \$1.5 billion unspent a year.

Conclusions

The defence expenditure increases during the NATO deployment to Afghanistan worked as intended, highlighting and solving capability gaps within the CAF such as the Strategic Airlift Program. Future capability gaps and urgently needed modernizations were also identified in fields such as army transportation, air superiority, and naval capabilities fit for an expanded role in Arctic security.

Although some of the 2% elevator increases to the budget have been met, they have not, partially due to inflation, had the desired impact on CAF capabilities that the CFDS originally intended. A report conducted by the Parliamentary Budget Officer in 2015 warns that the current spending patterns laid out under the CFDS, even if only partially implemented at the current rate, will become unsustainable in the next ten years, with budget shortfalls ranging between 14%-26% by 2025. When adjusted for inflation, CFDS elevator increases only amounted to 1.5% of defence budget increases.

II: Current Security Environment

Domestic Terrorism and Environmental Threats

In addition to addressing global threats, Canada's first responsibility is to keep its citizenry safe and secure. With its abundance of natural resources, in a world facing numerous emerging environmental challenges, Canada must remain vigilant. Canadian defence forces should be ready to face any situation. Canada is a fair and stable country; however, much can change quickly, as has been seen in recent years from homegrown terrorism, and potentially from returning radicalized extremists who have been active in terrorist related activities abroad.

Canada covers a very large landmass. The Arctic has become increasingly accessible which has given rise to defence and security concerns as well as issues of sovereignty, environmental protection, and defence and security issues. There is a risk of illegal migration, human trafficking, drug smuggling and the movement of terrorists or illegal weapons through the Arctic. Additionally, Canada must deal with violations of Arctic sovereignty as it protects its own sovereignty.

The most prevalent issues in the Arctic is the unauthorized access through the Northwest Passage, which Canada considers its domestic waters. Canada also has some land claim and border issues with Denmark and the United States. Canadian defence and security in the Arctic must be a strong priority to both protect our sovereignty and keep our nation secure.

On the environmental side, the Arctic ecology is fragile, and it will become increasingly important for Canada to be able to regulate how both the land and the water will be used, and then to be able to enforce those regulations.

Climate change also has other effects that require the attention of Canadian Defence. In the case of floods, snowstorms and other natural disasters, we must be ready to protect civilians and residential areas and protect our industrial developments. Just as fast as the ice recedes, Arctic politics will change too. Valuable maritime shipping routes, fish stocks, and abundant natural resources will all have geopolitical implications.

International threats

The CAF has also become much more active in international deployments during the past decade: serving with ISAF in Afghanistan, engaging in anti-piracy patrols in the Red Sea, enforcing a no-fly zone in Libya, and training local military assets in Ukraine, etc. If anything, the global security situation is becoming more rather than less volatile, and there will be continuing demands on the CAF.

III: Canada & NATO

Canada's Current Commitment

Canada has been a member of North Atlantic Treaty Organization (NATO) since its inception in 1949. Participation in NATO operations around the world continues to highlight Canada's commitment to the trans-Atlantic Alliance. At present, Canada remains a constant contributor to NATO missions globally, participating in several NATO initiatives; Operation Reassurance, Operation Attention, as well as various Task Forces. This commitment included the deployment of six CF-188 Hornets, the HMCS Regina, Fredericton and Winnipeg Halifax-class frigates, a platoon sized land force in Eastern and Central Europe, a small contingent of Canadian Armed Forces (CAF) soldiers in Germany participating in exercises and additional soldiers for multinational force training in Eastern and Central Europe.

Operation Attention is the NATO Training Mission in Afghanistan which "delivers training and professional development support to the national security forces of Afghanistan." The Task Forces are combined efforts across Maritime, Air and Land forces. This includes soldiers from the 3rd Battalion, the HMCS Toronto, and previously the HMCS Fredericton and Regina, air patrolling missions in the Baltic, and Romanian training missions.

GDP Commitments/Fiscal Commitments

NATO guidelines stipulate that,

"Member countries agreed to commit a minimum of two per cent of their Gross Domestic Product (GDP) to spending on defence. This guideline principally served as an indicator of a country's political will to contribute to the Alliance's common defence efforts. Additionally, the defence capacity of each member country has an important impact on the overall perception of the Alliance's credibility as a politico-military organization."

Only the United States, United Kingdom, Estonia and Greece have met NATO fiscal requirements. Canada has never met this objective, although it greatly increased expenditures in a short period of time, when necessary, for example during NATO's deployment in Afghanistan. During the period of 2001-2011 there was approximately \$30.9 billion in extra spending, including \$18 billion that was spent solely on the mission in Afghanistan. Canada ranks sixth among financial contributors to NATO.

With its huge size, sparse population and climate extremes, Canada needs to spend a larger percentage of its GDP on domestic infrastructure than many other countries.

However, in many areas, defence and domestic infrastructure expenditures are not mutually exclusive. In conjunction, expenditures that could make a stronger commitment to Canadian infrastructure, could at the same time increase our commitment to NATO spending requirements. Equipment and materiel suitable for NATO defence operations, whether used for transport, search and rescue, surveillance, communication or enforcement, are also highly appropriate for use in dealing with domestic crises, defending Arctic sovereignty, internal communication, and disaster relief. An example is the way the C-17 Globemaster has been utilized in a dual capacity role for taking DART teams where needed, whether for military, humanitarian relief, or crisis management purposes, nationally or internationally.

Wales 2014—Shifting Focus

The Wales Summit of September 2014 demonstrated a shift in priorities for the Alliance. With this, comes increased focus on the reorientation of defence spending away from stabilization, to that of collective defence. The global security climate is one that requires constant re-evaluation of NATO's actions, and as a result, new relevance for the Alliance has taken priority.

Deployability and Interoperability

One of the most important developments of the Wales summit was the approval of the Readiness Action Plan (RAP), designed to create a capability to meet both immediate and future security challenges.

The RAP plans to enhance NATO include two multinational force structures; the NATO Response Force (NRF) and the Very High Readiness Joint Task Force (VJTF) to make them more effective. Through the RAP, Canada has already committed to an increased role in air policing missions in the Baltic region. Both the NRF and VJTF will require commitments from all NATO members.

In October 2015, the 28 NATO defense ministers came together to discuss international security, climate change, and emerging and high-priority international threats. They agreed to a plan to expand the NATO Response Force (NRF) to 40,000 troops.

Training/Exercises

In recent years, Canada has taken a proactive role in training, operations and exercises. Currently, Canada is participating in the Trident Juncture, one of NATO's largest training exercises of the past decade. This exercise will run collaboratively with the Canadian Armed Forces exercise JOINTTEX, which focuses on demonstrating the capabilities of the Canadian multinational taskforce focusing in command, control, intelligence, surveillance and sustainment of operations at home and abroad. Approximately 1,650 CAF personnel are participating in the linked training operations Trident Juncture and JOINTTEX in September, October and November 2015.

Canadian frigates, such as the HMCS Toronto, have also been deployed in various joint training missions with NATO forces. The joint training programs have added considerable interoperability and improved cooperation among NATO allies. With future focus on collective defence, training and exercise missions will become increasingly central to ensure programs like the NRF and the VJTF are capable of meeting the deployment requirements.

NATO Centres of Excellence

Through the leadership of Allied Command Transformation (ACT), NATO has accredited more than 20 Centres of Excellence (COEs), which lead research into new best practices, operational procedures, and technologies for NATO members and partners. Despite the important role NATO COEs play in shaping Alliance capabilities, Canada is one of the least engaged of NATO's members. The previous government approved Canadian participation in three NATO COEs: the Military Engineering COE in Ingolstadt, Germany; the Joint Air Power Competence Centre in Kalkar, Germany; and finally the Combined Joint Operations from the Sea COE in Norfolk, Virginia.

IV: The Way Forward

It is important to remember that Canada is part of an increasingly interconnected and interdependent world, in the fields of technology, media and trade. Today, the world faces many threats, including terrorism (domestic and international) rapidly deteriorating international security, political instability, climate change, and cyber-warfare. Over the years, Canada has taken on a reputable commitment to safeguard and preserve global peace and security. If Canada is to maintain its commitment to international actions and multilateral engagement, it must refocus attention on Canadian Defense spending to support these commitments.

Royal Canadian Air Force

The Royal Canadian Air Force (RCAF) plays an essential role in the promotion of Canadian foreign policy priorities and securing Canadian airspace. Daily, RCAF personnel contribute to the security of the North American continent through Canada's participation in the North American Aerospace Defence Command (NORAD). In recent years, the RCAF has also played a leading role in NATO operations, including the international response to the 2011 Libyan conflict, Operation Unified Protector. However, the RCAF suffers due to aging equipment and requires immediate attention from Canada's new government.

Procurement

The McDonnell Douglas CF-18 Hornets operated by the RCAF were first introduced in 1983 and urgently require replacement. The Incremental Modernization Project that was initiated in 2001 was intended to extend the operational life of the CF-18 fleet until 2017 to 2020. To better evaluate the options available, the government should work with the National Fighter Procurement Secretariat (NFPS) at Public Works and Government Services Canada to determine whether the Seven-Point Plan addresses all of the most important questions in the procurement of a new air superiority fighter for the RCAF, and proceed on a priority basis with the procurement of aircraft that will meet the requirements.

The Canadair CT-114 Tutors operated by the RCAF 431 Air Demonstration Squadron are also advancing in age, having first entered service with the RCAF in 1962. Fortunately, there are several single-engine, jet-powered advance trainer aircraft models currently available on the market as replacements for the CT-114 Tutor. Canada's government could demonstrate its commitment to an open and competitive tender process by acting quickly on this procurement.

The Aurora Incremental Modernization Program (AIMP) has extended the operational life of the RCAF's Lockheed CP-140 Aurora fleet to 2020. As such, the procurement of new surveillance aircraft should also be pursued by Canada's government to avoid diminishing the Canadian Armed Forces' capacity to contribute to multilateral operations and to secure Canada's High Arctic.

The previous government's withdrawal from the NATO Early Warning and Control (NEAWC) Force has also diminished Canada's access to valuable signals intelligence while generating very little in the way of savings. The government should restore Canadian involvement in the NEAWC Force.

Doctrine

The Canadian Forces Aerospace Warfare Centre provides invaluable strategic guidance and research into operational practices for the RCAF, consolidating know-how for this branch of the Canadian Armed Forces. Between August 2008 and March 2014, the Centre released key components of RCAF aerospace doctrine – command, sense, shape, move, shield, and sustain. However, the final component of this doctrine – generate – has not yet been developed. The government should work with the Aerospace Warfare Centre to ensure the timely release of the final component of the RCAF doctrine.

Personnel

New acquisitions and updated doctrine must be accompanied by a renewed focus on recruitment, training and retention of quality personnel for the RCAF.

Royal Canadian Navy

The pursuit of Canadian foreign policy priorities and the security of Canadian territory require a strong and adaptable Royal Canadian Navy (RCN) and Canadian Coast Guard (CCG). However, Canadian maritime capabilities have been significantly undermined due to aging equipment and a lack of clear strategic guidance.

Procurement

The National Shipbuilding Procurement Strategy (NSPS) launched by the previous government in 2010 offers an excellent outline on how to best update the vessels and equipment available to the RCN. Ongoing procurement projects under the NSPS – the Single Class Surface Combatant Project, the Arctic Offshore Patrol Ship Project, the Joint Support Ship Project, the Polar Class Icebreaker Project, and others – should continue to be pursued to fruition.

However, the focus on the development of the Canadian shipbuilding industry and job creation came to some degree at the expense of military readiness and Canada's international reputation. For example, the lack of adequate domestic shipyards and the refusal to contract any foreign shipyards for the construction of vessels required under the NSPS has led to a projected 4-5 year delay in the delivery of a new Polar-Class Icebreaker for the Canadian Coast Guard.

To avoid future delays, it is recommended that the Defence Procurement Strategy (DPS) and the Build in Canada Innovation Program (BCIP) be amended to allow foreign shipyards to be considered for the construction of base components in new vessels, such as hulls, though not necessarily for the research and development or installation of value-added technologies.

It is important that such highly specialized capabilities be developed within Canada, not only for current industrial benefits, but also for future maintenance and upgrading, and future procurement.

Strategic Guidance

The RCN has also struggled with a lack of formal strategic guidance. In addition to the Canada First Defence Strategy (CFDS), RCN activities have been guided by the strategic document *Leadmark: The Navy's Strategy for 2020*, which was released in 2001, and *Securing Canada's Ocean Frontiers: Charting the Course from Leadmark*, which was released as an update in 2005. Given that much has changed for the RCN and in international affairs since the release of these documents – in fact, *Leadmark* predates the terrorist attacks of 11 September 2001 – the RCN would benefit from the development of a new strategic document that builds on the experiences of the past decade and aligns with the foreign policy vision of Canada's government.

Such a strategic document must be forward thinking. Canadian maritime doctrine has been defined in large part by the capabilities of the Iroquois-class destroyers and Halifax-class frigates that were the mainstays of the RCN fleet since the 1970s. The introduction of the Single Class Surface Combatant may alter RCN capabilities and how those interact with the capabilities of strategic partners like the navy of the United States and other NATO countries.

Personnel

The increasing tempo of operations and new procurements and upgrading also bring with it need for enhanced recruitment and training of personnel.

Canadian Army

While procurement of transport trucks and refurbished Leopard tanks is underway, the most pressing need for the army is more personnel. The multiple deployments to Afghanistan of the same contingents, with insufficient recovery time between rotations, may have led to increased incidents of post deployment trauma and other health concerns. The next section will deal in more depth with force renewal.

Personnel

Canada is a diverse country and the Canadian Armed Forces should reflect this. Reaching more communities and communicating the benefits of service in the Canadian Armed Forces (CAF) is important to addressing recruitment and retention problems. In the past decade, CAF personnel has been stretched to the point of exhaustion, and since it is most unlikely that operational needs will decline, it be would in Canada's best interest to restructure and increase CAF personnel. A reasonable goal would be to aim for an increase to 100,000 regular and 50,000 reserve members by the end of this decade. There should be a special emphasis on the following elements in the recruitment, training and retention process.

Women

Women currently serve in almost every military occupation in the CAF and continually demonstrate the value of their service. Canada is also a leader within NATO in ensuring gender equality and upholding the terms of United Nations Security Council Resolution 1325. However, there are still very few women in CAF senior leadership positions.

In order to address the shortage of women leaders in the military, Canada's new government should strongly consider instituting gender quotas for officer training in actual numbers rather than percentages. If done correctly, as a part of an overall increase in recruitment, such affirmative action programs would not be problematic, as there would also be increased opportunities for men. There would likely be a better gender balance among the newer recruits which eventually could create a better balance in the CAF overall.

First Nations, Metis, and Inuit

The CAF already offers several recruitment and retention programs specifically tailored for First Nations, Metis, and Inuit (FNMI) youth. This includes Bold Eagle, Raven, Black Bear, the Canadian Forces Aboriginal Entry Program (CFAEP), and the Aboriginal Leadership Opportunities Year (ALOY). Such programs should be expanded and success stories assessed in order to fully harness the positive relationships enjoyed to date between the Royal Military College of Canada, the Congress of Aboriginal Peoples, Inuit Tapiriit Kanatami, and the National Association of Friendship Centres.

Reserve Forces

Training and maintaining Reserve personnel costs only a fraction of training and maintaining regular force personnel, yet they have shown their ability to integrate in and be trained and deployed with regular personnel in serious combat operations in Afghanistan, and earlier in operations in the Balkans. Increasing the numbers of reservists would not only increase the overall number of personnel available for both domestic and expeditionary operations, but would also create stronger links between civilian and military communities.

Veterans

Special attention should be paid to the retention of veteran service men and women. Currently the legal requirement that all military personnel be physically able to be deployed, deprives the country of a pool of people with highly developed skills and knowledge that can continue to be of use in Canada's defence. Legislation should be changed to allow otherwise capable veterans to continue to be employed in suitably accommodated positions.

Their knowledge and experience could contribute greatly to many areas such as planning and implementation of policy for human resources, veteran affairs, procurement, and communication, among others. Such a move would also improve morale of veterans and encourage current CAF personnel to seek any assistance they need without having to fear discharge.

Overall, it should be kept in mind that employment in the CAF is employment, period. CAF jobs are good jobs at every level. The training from specific hands-on skills and trades to leadership and negotiation skills are also highly desirable in and transferable to civilian life. This again a good example of how increased spending on defence capabilities can at the same time be increased spending on human capital and social infrastructure.

The CFDS & the Arctic

The Arctic is an ecologically vibrant and rich region, where Canada has an important role to play in defining its future together with the Inuit peoples that call the Arctic home. In recent years, Canada has contributed to the Arctic Council and pursued constructive relations with other circumpolar countries.

Greater focus, however, must be dedicated to the economic prosperity and security of Canada's North. A lack of adequate infrastructure has undermined efforts by the Governments of Yukon Territory, the Northwest Territories, and Nunavut, to provide a better standard of living, and it has also held back security enhancement. Here is another good example of how spending on particular infrastructure can have both defence and civil society benefits.

Completion of a new port facility for Nunavut, with particular focus on a location that will be clear of ice for the greatest portion of the year, will allow Nunavut to export its products to market and bring in necessary supplies at lower cost. At the same time it will enhance the ability of Coast Guard and RCN vessels to operate in the Arctic, which is severely limited currently.

A federally funded all-weather road from Kimmirut to Iqaluit will have similar dual benefit.

Likewise, the runway at Resolute Bay Airport should be paved so that it can, if necessary, accommodate Royal Canadian Air Force (RCAF) aircraft. This would also allow future governments the option of further developing an Airbase at Resolute Bay at some later date.

The government should work with northern partners to prepare the Arctic Gateway for future mutual benefit by exploring the potential of collaborating on a deepwater port using existing offshore facilities. Such a deepwater port could be used by industrial partners as well as the Canadian Coast Guard (CCG) and Royal Canadian Navy (RCN), providing a temporary base of operations for disaster response vessels and the RCN's future Arctic Off-shore Patrol Ships.

The government should also enter negotiations at the earliest opportunity to secure the use of a berth at the Port of Churchill for the CCG's future Polar Class Icebreaker and other relevant CCG and RCN vessels.

NATO and other international efforts

In order to match average levels of participation among NATO members, the government should review the mandates of existing NATO Centers of Excellence to identify potential areas for cooperation. For example, the NATO COE for Operations in Confined and Shallow Waters (COE-CSW) in Kiel, Germany could offer value to the Royal Canadian Navy.

Furthermore, the government should pursue NATO accreditation through ACT for the Peace Support Training Centre (PSTC) in Kingston, Ontario. Partnerships for the PSTC with other institutions could help ensure Canada remains an active contributor to international best practices in peace support operations and peacebuilding. These additional partners could include the Kofi Annan International Peacekeeping Training Centre in Ghana.

V: Conclusion

Canada is a huge, sparsely populated country that requires the combined efforts of civilian and military forces to secure and protect it, and provide relief from the natural disasters that occur relatively frequently. It is also a country that is highly dependent on international trade for its prosperity. It is, therefore, important for it to contribute to the security of its trading partners and supply chain and export trade routes.

One of the key points we would like to make is that these two goals are not mutually exclusive. Capabilities that make Canada's military so sought after by its partners in NATO and other multi-lateral relationships, are also capabilities that are key to domestic security. Sufficient well trained personnel that can carry out several expeditionary tasks the government commits them to, are also required for simultaneous security and assistance operations in our own far-flung country.

Operations internationally that lead to more stability will lead to more prosperity in those regions, and prosperous countries are more likely to be peaceful countries. This, in turn, leads to more and better trade opportunities for a more prosperous Canada.

We should, therefore, stop thinking of spending on defence as being antithetical to spending on national well-being, but we should look for every opportunity to leverage mutual benefits. It is not a zero-sum game.

The government should commit to a defence policy that will make Canada a reliable partner to its allies, and a strong protector of its people.

Policy Summary

Summary of Findings and Recommendations

I. Canada & the Canada First Defence Plan

- The defence expenditure increases during the NATO deployment to Afghanistan worked as intended, highlighting and solving capability gaps within CAF.
- Future capability gaps and needed modernizations were identified in areas such as army transportation, air superiority, and naval capabilities fit for an expanded role in Arctic security.
- To maintain the current capabilities of the CAF and meet the new procurement targets, defence spending will have to increase to 2.5% per year.

II. Current Security Environment

- Domestic Terrorism.
- Environmental threats – natural disasters possibly increasing due to climate change.
- Greater accessibility of the Arctic brings sovereignty, security and regulatory enforcement issues.
- Global security situation continues to be volatile with continuing demands on CAF.

III. Canada and NATO

- Meeting the 2% NATO spending commitment benefits Canada, and its contributions to multilateral operations.
- Equipment and materiel suitable for NATO defence operations, whether used for transport, search and rescue, surveillance, communication or enforcement, are also appropriate for use in dealing with domestic crises, the Arctic, internal communication, and disaster relief.
- Canada is currently committed to participation in operations and training exercises.
- Defence Ministers agreed to increasing number of troops for NATO Response Force
- Canada currently participates in three NATO Centers of Excellence.

IV. The Way Forward

The Royal Canadian Air Force

- Douglas CF-18 Hornets urgently require replacement. Work with Public Works and Government Services Canada should continue with priority to lead to earliest possible replacement.
- New surveillance aircraft are needed to avoid diminishing the CAF's capacity to contribute to multilateral operations and secure Canada's High Arctic.
- Restore Canadian involvement in the NEAWC Force.
- Work with the Aerospace Warfare Centre to ensure the timely release of the final component of the RCAF doctrine.

The Royal Canadian Navy

- Ongoing procurement projects under the NSPS should be continued to completion.
- The Defence Procurement Strategy (DPS) and the Build in Canada Innovation Program (BCIP) should be amended to allow foreign shipyards to be considered for the construction of base components in new vessels.
- A new strategic document needs to be developed.

Canadian Army

- Continue current procurement projects.
- Major need for personnel.

Personnel

- Increasing tempo of operations, new procurements and upgrading bring with it-enhanced need for the recruitment and training of personnel in all components of the CAF.
- A reasonable increase to 100,000 regular and 50,000 reserve members by the end of this decade should be considered.
- Institute gender quotas for officer training in actual numbers rather than percentages.
- Indigenous recruitment programs should be expanded and success stories assessed in order to fully harness positive relationships.
- Increase Reserve Forces to support Regular Forces in both domestic and international operations and to create stronger links between civilian and military communities.
- Amend legislation to allow otherwise capable CAF veterans to continue to be employed in suitably accommodated positions rather than be discharged, depriving the CAF of their skill and knowledge.
- CAF jobs are good jobs at every level. Increased spending on defence personnel can at the same time be increased spending on human capital and social infrastructure.

CFDS & the Arctic

- Development of infrastructure in the Arctic is important for both military and civilian purposes
- Completion of a new port facility in Nunavut, with focus on a location that will be clear of ice for the greatest portion of the year.
- The runway at Resolute Bay Airport should be paved so that it can accommodate Royal Canadian Air Force (RCAF) aircraft.
- Pursue negotiations with partners for potential of collaboration on a deepwater port using existing off-shore facilities, to serve both civilian needs and Coast Guard and RCN.
- Negotiate to secure the use of a berth at the Port of Churchill for the CCG's future Polar Class Icebreaker and other relevant CCG and RCN vessels.

NATO and other international efforts

- Review the mandates of existing NATO COEs to identify potential areas for cooperation
- Pursue NATO accreditation through ACT for the Peace Support Training Centre (PSTC) in Kingston, Ontario.
- Seek further partnerships for the PSTC.



The NATO Association of Canada

L'Association Canadienne Pour L'OTAN

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