



14 October 2020

DOCUMENT
C-M(2020)0026 (NE-OVERVIEW)

NATO DEFENCE PLANNING CAPABILITY REVIEW 2019/2020

THE NETHERLANDS

OVERVIEW

1. Defence policy and planning in the Netherlands continue to be guided by the Integrated International Security Strategy and the Defence White Paper, both of which were published in 2018. A new National Security Strategy was published in 2019, and the Defence White Paper is being reviewed in 2020. It is intended that the new White Paper will take a longer-term view of the development of Dutch defence capabilities than the previous version, developing a future vision that will look ahead to 2035, and will include plans for the replacement of many major combat systems, taking account of the anticipated financial resources.

2. The Netherlands is committed to increase defence spending in order to fulfil the Defence Investment Pledge. In 2017, the Government decided to increase defence spending by € 5 billion between 2018 and 2021, and to maintain this level of spending as the baseline beyond 2021. In 2019, an additional €1.5 billion was announced, to be spent over the period until 2024. However, on current plans, defence expenditure, both in real terms and as a percentage of GDP, is set to decline after 2022. Rather than the level of expenditure in 2021 acting as a baseline for further increases, it is set to act as a ceiling. After many years of under-investment in defence, and with very many quantitative and qualitative shortfalls that need to be addressed, the Netherlands needs to make and sustain significant increases in defence expenditure if it is to implement its fair share of the NATO Capability Targets.

3. Defence planning in the Netherlands is based on the Defence Lifecycle Cost Plan, which translates political direction into defence policies. Revised annually, the Defence Lifecycle Cost Plan covers a fifteen-year budget and plan period in detail, combining current operational requirements, life-cycle capability replacements and emerging capability requirements in a single plan. The replacement of many maritime and air platforms is included in the current plan, but there is limited investment planned in land systems.

4. The Netherlands has reviewed its 2017 NATO Capability Targets, and has prioritised five capability areas for investment in the short term. These areas are: the procurement of additional F-35 aircraft; the enhancement of direct and indirect firepower for the land forces; investment in maritime ballistic missile defence (BMD) capabilities; the



provision of additional enablers for special operations forces (SOF); and the expansion of cyber and information warfare capabilities.

5. At the end of 2019, the personnel strength of the armed forces was 55,878, comprising 39,677 full-time military personnel, and 16,201 civilian staff. The figure for military personnel includes 6,339 personnel of the military police (Royal Marechaussee) who carry out a variety of roles on behalf of other ministries in addition to the Ministry of Defence. The personnel strength figures show a small increase in military personnel in the last two years. The Netherlands has adopted a 'total/adaptive force' concept for the armed forces. The core element of this will be a more flexible personnel policy, including modernisation of employment conditions, and greater integration of regular and reserve forces.

6. The reserve forces are an important element of the Netherlands' future force structure. At the end of 2019, there were 6,060 trained reserves, this represents an increase of almost 1,100 personnel in two years. Further growth in reservist numbers is planned. Land force reserves are generally employed in formed sub-units, naval and air force reservists are individual augmentees. In 2019, the average reservist performed 43 days' service, and approximately 500 reservists are currently working on a full-time basis

7. The Netherlands' GDP growth in real terms decreased from 3.02% in 2017 to 2.55% in 2018, and to an estimated 1.76% in 2019. In 2020, GDP growth is projected to fall by 8.02%. The proportion of GDP devoted to defence decreased from 1.43% in 2009 to an estimated 1.36% in 2019, and is projected to be 1.48% in 2020, 1.44% in 2021 and 1.45% in 2022. In 2018, expenditure on major equipment and associated research and development was 16.39% of total defence expenditure. Expenditure on major equipment is estimated to have been 21.50% in 2019 and is forecast to be 23.22% in 2020, 24.54% in 2021 and 26.46% in 2022.

8. The Netherlands continues to contribute regularly to Alliance operations, missions and engagements outside its national territory. Overall, the Netherlands contributions are commensurate with the size of the armed forces in relative terms. The Netherlands also continues to contribute towards the enhanced Forward Presence and the NATO Response Force, and has offered land, maritime and air forces to the NATO Readiness Initiative.

9. In 2017, Allied Defence Ministers identified capability priorities for the Netherlands. These were: the development of a fully-capable heavy infantry brigade, with associated combat support (CS) and combat service support (CSS); the development of joint intelligence, surveillance and reconnaissance (JISR) capabilities; and the development of theatre-level enabling capabilities. The heavy infantry brigade is being given some priority by the Netherlands. However, serious qualitative shortfalls remain, including a complete infantry battalion that is not provided, and no Dutch-owned tanks. JISR capabilities are developing well in the short term, but the lack of plans for important capabilities requested in the late 2020s is a concern, and concrete plans are also needed for enabling capabilities, even though many of these are not requested until late in the Defence Lifecycle Cost Plan period. Current defence funding plans are insufficient for the implementation of these capability priorities. The availability of sufficient personnel to staff the heavy infantry brigade, together with other NATO-deployable forces, may also be a limiting factor, despite the Netherlands' efforts to address the persistent personnel shortages.

10. In terms of land forces, the Netherlands continues to be unable to provide all of the quantitative land contributions as sought by the NATO Capability Targets for the period 2020 to 2025. The heavy infantry brigade, requested as forces of high readiness (HRF1, 30 days' notice-to-move), can only be provided as HRF3 (90 days' notice-to-move). In addition, it would have only two heavy infantry battalions instead of three, and it would not have its own tank battalion. The medium infantry brigade, requested as HRF3, could only be provided as forces of lower readiness (180 days' notice-to-move). Moreover, it can only be provided with two infantry battalions instead of four, a serious deficiency. In addition, the engagement capabilities of these brigades do not meet the qualitative requirements as requested by the related NATO Capability Targets, and the shortage of artillery represents a critical shortfall in the firepower of both brigades, which, currently, limits their operational utility in a high-end battle against a peer adversary. The airmobile brigade could be provided at HRF3 instead of HRF1. There are also not enough CS and CSS assets in general to support the simultaneous deployments of the brigades.

11. Despite these shortfalls, gradual but tangible qualitative improvements are ongoing. Major planned, ongoing or recently completed modernisation projects for the army include: the procurement of some 200 Boxer 8x8 wheeled armoured vehicles in various configurations. Additional funding is being directed towards gradual strengthening of some combat capabilities, including firepower, and CS and CSS assets that are currently shortfalls. However, until the majority of these shortfalls are addressed, the combat effectiveness and sustainability of the Netherlands' land forces, especially in any high-end, high readiness scenario, will be seriously limited.

12. The navy can provide the majority of the maritime forces requested by the NATO Capability Targets in quantitative terms, although there will be shortfalls due to the transition to new platforms. In qualitative terms, the NATO Capability Targets are expected to be met, with the exception of some battle-decisive munitions, above-water warfare (AWW), anti-submarine warfare, and survivability. Most of these issues will not be addressed until the introduction of new platforms and capabilities is completed, mainly by 2030.

13. The navy's main capability development priorities in the medium-term include: the introduction of a combat support ship in 2024; the replacement of the mine counter-measure vessels in a joint project with Belgium in the period 2024-2030; and the replacement of the M-class frigates, again in conjunction with Belgium, in the period 2027-2029. Other ships and submarines would be replaced in the 2030s. The navy has a costed plan to develop a BMD capability, however, approval to develop the system is not expected until at least mid-2021. Therefore, the requested implementation date of the beginning of 2024, as detailed in the AWW NATO Capability Target, will not be achieved. Noting that a BMD weapon system capability has been requested from just six Allies, if the Netherlands does not provide such a capability, there will be a shortfall across the Alliance.

14. The ongoing modernisation of the air force provides the Netherlands with high-end aerospace capabilities. The Netherlands is expected to meet most of the 2017 NATO Capability Targets, however with some exceptions and limitations. The introduction of the F-35 is enhancing the air combat capability, and an additional nine F-35 aircraft have recently been ordered, taking the planned procurement to 46 aircraft, compared to a quantitative NATO Capability Target of 52 operational aircraft. Air-to-air refueling

capabilities are being enhanced from 2020 through participation in the Multinational Multi-Role Tanker Transport Fleet. With regard to JISR capabilities, the provision of MQ-9 unmanned aerial systems before the end of 2021 is expected to meet NATO short-term requirements three years earlier than required. However, it is a real concern that there are no funded plans to deliver the signal collection manned and unmanned assets requested from 2028.

15. In terms of SOF, the Netherlands is able to provide all four requested land task groups and the two requested maritime task groups. Previous qualitative shortfalls related to insufficient deployable communication and information systems, CS and CSS are being addressed, in part. However, the special operations air task group requested from 2024 cannot be provided and other SOF aviation requirements remain unfunded. The special operations component command will continue to be provided jointly with Belgium and Denmark, rather than transitioning to a national capability as requested.

16. Although the Netherlands is able to meet many quantitative and qualitative elements of its joint enabling Capability Targets, its ability to support theatre-level enabling requirements simultaneously with full support for its tactical level units is very limited, if not impossible in some scenarios. Some areas of particular concern are the provision of logistics and medical capabilities, the recruitment and retention of specialist personnel and the availability of medium transport helicopters. Progress is satisfactory with regard to ISR capabilities, although it is very important that adequate plans to deliver the JISR capabilities requested in the late 2020s in full should be put in place in time. Such plans are currently lacking.

17. The Netherlands is fully implementing its stabilisation and reconstruction (S&R)-related NATO Capability Targets. The well-established inter-ministerial coordination mechanisms, training capacities, and the pool of deployable capabilities, will enable it to continue doing so in the future.

18. In terms of civil preparedness, based on a comprehensive national risk assessment, and with cross-government funding, the Netherlands is largely resilient and meets all the seven resilience baseline requirements.

19. In sum, the Netherlands is able to provide advanced, deployable and interoperable forces to the Alliance, much of which is high-end. However, across all domains there are many significant qualitative shortfalls and some quantitative shortfalls which limit the effectiveness of these forces. This situation is largely the result of a protracted period of under-investment in defence, during which deep cuts were made to structures and personnel numbers. However, since 2017, and following the 2018 Defence White Paper, increased funding has been made available. The effect of this is now beginning to be seen, with a number of projects that will begin to mitigate some serious shortfalls against NATO Capability Targets in the short-to-medium terms (such as some enhancements to land combat power and additional F-35 combat aircraft).

20. Despite these welcome steps to address serious capability shortfalls, it is a great concern that overall defence spending is set to decline, both in real terms and as a percentage of GDP, after 2022, despite the Netherlands' declared intention to implement the DIP. It appears that the impetus provided by the 2018 Defence White Paper will not be

sustained into the medium term. To compensate for years of under-investment, and to carry out the necessary upgrading of its forces (such as the likely need to replace almost all of the maritime platforms by the end of the medium-term planning period), and to implement the NATO Capability Targets, defence expenditure will need to increase significantly, and thereafter be maintained. Current expenditure plans are clearly insufficient for the scale of the task.

21. In 2017, Allied Defence Ministers identified capability priorities for the Netherlands. These were: the development of a fully-capable heavy infantry brigade, with associated CS and CSS; the development of JISR capabilities; and the development of theatre-level enabling capabilities. Current defence funding plans are clearly insufficient for the implementation of these capability priorities. The availability of sufficient personnel to staff the heavy infantry brigade, together with other NATO-deployable forces, is expected to be a limiting factor, although the efforts to identify more flexible career structures, as well as to make greater use of reservists, are welcome and encouraged.

22. Recent increases in funding have started to reverse the decline in the capabilities of its armed forces. However, NATO and Dutch defence planning priorities are, in practice, misaligned, due mainly to the inadequate future defence spending plans in terms of scale, scope and focus. The foreseen shortfall in funding is linked to an imbalance between the services, with the great majority of capital expenditure being directed towards the maritime and air domains. Increased funding would permit much-needed investment in the land forces. Reversing the effects of years of under-spending, and implementing the Netherlands share of the 2017 NATO Capability Targets will require major increases in defence expenditure, which will need to be sustained throughout the decade. Until the Netherlands implements these targets in full, then other Allies may potentially need to provide an important portion of its fair share.