

September 2010

# NATO PARTNERSHIPS

## DOD Needs to Assess U.S. Assistance in Response to Changes to the Partnership for Peace Program



GAO

Accountability \* Integrity \* Reliability

---



Highlights of [GAO-10-1015](#), a report to the Chairman, Committee on Foreign Relations, U.S. Senate

## Why GAO Did This Study

The North Atlantic Treaty Organization (NATO) established the Partnership for Peace (PfP) to increase cooperation with former Warsaw Pact members and provide many of these countries with a path to NATO membership. As NATO confronts new security challenges, including the war in Afghanistan, its relationships with partner countries have grown in scope and importance. Additionally, NATO is developing a new Strategic Concept to clarify its mission and activities, including its relationship with PfP countries and other partners. The Department of Defense (DOD)-funded Warsaw Initiative Fund (WIF) supports the goals of the PfP program. GAO was asked to review (1) how the PfP program has evolved since GAO last reported on it in 2001; (2) options NATO is considering for the future of the PfP and other partnership programs; and (3) support to PfP countries through the U.S. WIF program. GAO analyzed NATO, DOD, and State Department (State) documents; and WIF funding data. GAO also interviewed DOD, State, NATO, and selected country officials.

## What GAO Recommends

GAO recommends that, following the establishment of NATO's new Strategic Concept, which could result in changes to NATO's PfP program, the Secretary of Defense conduct an evaluation of the U.S. WIF program to ensure that it effectively supports the goals of NATO's PfP program. DOD concurred with the recommendation.

View [GAO-10-1015](#) or [key components](#). For more information, contact Joseph Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

## NATO PARTNERSHIPS

### DOD Needs to Assess U.S. Assistance in Response to Changes to the Partnership for Peace Program

## What GAO Found

The PfP program has evolved in four key ways since July 2001, when GAO last reported on it. First, several former PfP countries from Central and Eastern Europe have become NATO members, resulting in both a decline in the number of countries participating in the PfP and in the number of PfP countries seeking NATO membership. Second, NATO has developed additional mechanisms for engaging with PfP countries, allowing partners additional opportunities to tailor their participation in the PfP based upon their individual objectives and capacities. Third, the growing size and significance of the NATO operation in Afghanistan has increased NATO's emphasis on developing PfP countries' capabilities for participating in NATO military operations and the strategic importance of the Caucasus and Central Asian PfP countries. Fourth, as NATO has taken steps to wind down its peacekeeping efforts in the Balkans, it has increasingly used the PfP to build cooperative relationships with countries in the region, marking a shift in its role in stabilizing that part of Europe.

NATO's new Strategic Concept is expected to highlight the importance of the PfP and other NATO partnerships, and discuss ways to strengthen them further. First, NATO is debating how to strengthen its partnerships with a growing number of countries outside of the PfP. Some NATO members disagree about the extent to which NATO should pursue a more global partnership agenda. Second, NATO is considering options to enhance its routine and crisis consultations with PfP countries on security issues. Third, NATO is evaluating how to more effectively engage with PfP countries, such as those in Central Asia, that are not seeking NATO membership. Fourth, NATO is debating how to best balance PfP countries' aspirations for membership with Russian concerns about NATO expansion.

The changing composition of countries participating in the PfP program has affected the budget and focus of the WIF program, which supports the participation of PfP countries in military exercises and military contact programs. The decline in the number of countries in the PfP program contributed to a drop in average annual WIF funding from about \$43 million in fiscal years 1996 through 2005 to about \$29 million in fiscal years 2006 through 2010, according to a DOD official. Moreover, WIF funding is no longer concentrated on PfP countries aspiring to join NATO, as it was in the initial years of the program. In 2006, DOD established the Defense Institution Building program as a key focus of the WIF program to help PfP countries develop more professional and transparent defense establishments. Planned activities included assisting with strategic defense reviews; and developing defense planning, budgeting, and resource management systems, among others. DOD has encountered challenges implementing this program, including potential duplication with other U.S. assistance in some countries and limited interest from other countries, which have contributed to frequent cancellations of planned activities. DOD has not formally evaluated the WIF program since 2001, although there have been changes since then in the composition of participating countries and the focus of the WIF program.

---

# Contents

---

<b>Letter</b>		<b>1</b>
	Results in Brief	2
	Background	5
	The PfP Has Evolved in Several Key Ways Due to Changing Political Circumstances and Security Threats	9
	NATO Is Considering Ways to Strengthen Its Partnerships as Part of the Development of Its New Strategic Concept	24
	Although Eligible Countries and the Focus of the WIF Program Have Changed, DOD Has Not Evaluated the Program since 2001	30
	Conclusion	36
	Recommendation for Executive Action	36
	Agency Comments and Our Evaluation	36
<b>Appendix I</b>	<b>Scope and Methodology</b>	<b>38</b>
<b>Appendix II</b>	<b>Description of DOD Components Responsible for Executing the WIF Program</b>	<b>42</b>
<b>Appendix III</b>	<b>Other U.S. Security Cooperation Programs Supporting WIF and PfP Goals</b>	<b>44</b>
<b>Appendix IV</b>	<b>NATO Areas of Cooperation</b>	<b>46</b>
<b>Appendix V</b>	<b>PfP Countries' PARP Partnership Goals</b>	<b>48</b>
<b>Appendix VI</b>	<b>GAO Contact and Staff Acknowledgments</b>	<b>50</b>
<b>Tables</b>		
	Table 1: Partner Countries' Participation in Key PfP Mechanisms	14
	Table 2: WIF Funding for Countries Seeking NATO Membership, Fiscal Year 2010	31

---

Table 3: Descriptions of and Funding for WIF Implementing Components, Fiscal Year 2010	42
Table 4: Descriptions of U.S. Security Cooperation Programs that Provide Assistance Related to WIF and NATO PfP Programs	44
Table 5: Areas of Cooperation in the 2010-2011 EAPWP	46
Table 6: PfP Countries' Most Frequently Selected Partnership Goals in 2008	48

---

## Figures

Figure 1: Former PfP Countries that Have Joined NATO	10
Figure 2: Comparison of PfP Countries in 2001 and 2010	11
Figure 3: Countries' Troop Contributions to NATO's Operation in Afghanistan (ISAF) as of August 2010	18
Figure 4: Countries' Troop Contributions to NATO's Operation in Kosovo (KFOR) as of February 2010	20
Figure 5: Timeline of Key NATO Events in the Balkans	22
Figure 6: Map of Countries Participating in NATO's Partnership Programs	25
Figure 7: Fiscal Year 2010 WIF Budget Allocated to the DIB Program, by Country and Region	34
Figure 8: Funding for PfP Countries from WIF and Related Security Cooperation Programs, Fiscal Year 2009	45

---

---

## Abbreviations

CENTCOM	Central Command
COCOM	Combatant Command
CTR	Cooperative Threat Reduction
DIB	Defense Institution Building
DOD	Department of Defense
DSCA	Defense Security Cooperation Agency
EAPC	Euro-Atlantic Partnership Council
EAPWP	Euro-Atlantic Partnership Work Plan
EU	European Union
EUCOM	European Command
FMF	Foreign Military Financing
ICI	Istanbul Cooperation Initiative
IMET	International Military Education and Training
ISAF	International Security Assistance Force
KFOR	Kosovo Force
MAP	Membership Action Plan
MD	Mediterranean Dialogue
NATO	North Atlantic Treaty Organization
PARP	Planning and Review Process
PfP	Partnership for Peace
State	Department of State
TCA	Traditional Combatant Commander Activities
UN	United Nations
WIF	Warsaw Initiative Fund

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office  
Washington, DC 20548

September 30, 2010

The Honorable John F. Kerry  
Chairman  
Committee on Foreign Relations  
United States Senate

Dear Mr. Chairman:

As the North Atlantic Treaty Organization (NATO) confronts new security challenges, including the war in Afghanistan, its relationships with partner countries have grown in scope and importance. NATO established its principal partnership program—the Partnership for Peace (PfP)—in 1994, primarily to increase defense cooperation with former Warsaw Pact members and other former communist states in Central and Eastern Europe. The PfP also provided many of these countries with a path to NATO membership. To support the objectives of the PfP program, in 1994, the United States established the Warsaw Initiative Fund (WIF), which provided about \$30 million in Department of Defense (DOD) funding in fiscal year 2010 to facilitate the participation of developing PfP countries in military exercises and military contact programs. In July 2001, we reported that the WIF and PfP programs had produced important benefits for participating countries, as evidenced by their contributions to NATO-led operations in the Balkans and the addition of three partner countries to NATO membership in 1999.<sup>1</sup> Since then, the strategic context for NATO's use of the PfP has changed significantly. Most importantly, NATO admitted an additional nine countries as members and began a major military operation in Afghanistan. In addition, NATO has expanded its relationships with other partner countries outside of the PfP program. To address the range of security challenges it faces, NATO is developing a new Strategic Concept to clarify its mission and activities, including its relationships with PfP and other partners. NATO intends to approve the new Strategic Concept at its November 2010 summit.

In response to your request, this report (1) describes how the PfP program has evolved since we last reported on it in 2001; (2) describes

---

<sup>1</sup>GAO, *NATO: U.S. Assistance to the Partnership for Peace*, [GAO-01-734](#) (Washington, D.C.: July 20, 2001).

---

options NATO is considering for the future of the PfP and other partnership programs under the new Strategic Concept; and (3) analyzes support to PfP countries through the U.S. WIF program.

To address these objectives, we analyzed NATO, DOD, and Department of State (State) documents; academic literature related to PfP and WIF programs; and WIF funding data since fiscal year 2006. According to DOD, no reliable data showing the distribution of WIF budgets among eligible countries were available before fiscal year 2006. We met with DOD and State officials in Washington, D.C., and the U.S. Mission to NATO in Brussels, Belgium. We also met with NATO officials at both NATO Headquarters in Brussels and at Supreme Headquarters Allied Powers Europe in Mons, Belgium, as well as with representatives from several PfP countries and one NATO member country. In addition, we conducted phone interviews with geographic U.S. combatant command officials who have PfP countries in their areas of responsibility—European Command in Stuttgart, Germany, and Central Command in Tampa, Florida. We selected three countries—Bosnia-Herzegovina, Georgia, and Kazakhstan—to examine in greater depth NATO’s bilateral relationship with PfP partners. We sought to pick countries that differed, among other things, in terms of their geographic location, level of participation in the PfP, interest in NATO membership, and contributions to NATO operations. We met with State and DOD officials at the U.S. Embassy in Tbilisi, Georgia; Government of Georgia officials; and NATO officials based in Tbilisi. We also conducted telephone interviews with U.S. officials in Sarajevo, Bosnia-Herzegovina; and Astana, Kazakhstan; and with an official from NATO Headquarters, Sarajevo. See appendix I for a detailed discussion of our scope and methodology.

We conducted this performance audit from November 2009 to September 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

---

## Results in Brief

In response to changing political circumstances and security threats, the PfP program has evolved in four key ways since July 2001, when we last reported on it. First, several former PfP countries from Central and Eastern Europe have become NATO members, resulting in both a decline in the number of countries participating in the PfP and in the number of

---

PfP countries seeking NATO membership. For example, in July 2001, NATO had granted Membership Action Plans (MAP) to 9 of the 26 PfP countries; as of September 2010, only 3 of the 22 current PfP countries (Bosnia-Herzegovina, Macedonia, and Montenegro) had MAPs.<sup>2</sup> MAP is the final step countries complete before NATO membership and requires countries to undertake an intensive set of reforms that extend beyond their defense institutions, to bring the countries in line with NATO standards. While the PfP program provides a means for interested countries to pursue NATO membership, it has also always enabled other countries that are not seeking membership to maintain cooperative relationships with NATO. Second, NATO has developed additional mechanisms for engaging with PfP countries. For example, in 2002, NATO developed the Individual Partnership Action Plan, which provides PfP countries the opportunity to establish reform goals and receive tailored assistance from NATO to meet these goals, without having to commit to pursuing NATO membership as with the MAP. Third, the growing size and significance of NATO's operation in Afghanistan has increased both NATO's emphasis on developing PfP countries' capabilities for participating in NATO military operations and the strategic importance of the Caucasus and Central Asian PfP countries to NATO, given their proximity to Afghanistan.<sup>3</sup> As of August 2010, 11 PfP countries were contributing about 2,000 troops to the operation, and four Central Asian and two Caucasus partners were providing logistical and/or host nation support. Fourth, as NATO has taken steps to wind down its peacekeeping efforts in the Balkans, it has increasingly used the PfP to build cooperative relationships with countries in the region, marking a shift in its role in stabilizing that part of Europe.<sup>4</sup>

---

<sup>2</sup>In April 2010, the NATO Foreign Ministers voted to offer Bosnia-Herzegovina a MAP; however, the Foreign Ministers decided that Bosnia-Herzegovina must resolve certain issues regarding its immovable defense property before it can fully participate in MAP.

<sup>3</sup>Three Caucasus countries participate in the PfP: Armenia, Azerbaijan, and Georgia. Five Central Asian countries participate in the PfP: Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

<sup>4</sup>For the purposes of this report, the Balkans region is defined as Albania, Bosnia-Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia. "Macedonia" is an unofficial name for the state recognized by the U.S. government as "the Former Yugoslav Republic of Macedonia." In 1995, NATO established its first peace operation in the Balkans, the Implementation Force in Bosnia-Herzegovina, which was later renamed the Stabilization Force. NATO ended the Stabilization Force operation in 2004. In 1999, after an air campaign against Serbia and Montenegro, NATO established a second peace operation in the region, the Kosovo Force, which continues operations at a reduced level.

---

NATO's new Strategic Concept is expected to highlight the importance of the PfP and other NATO partnerships and discuss ways to strengthen these partnerships further. First, NATO is considering how best to deepen its relationships with its increasing number of partner countries outside of the PfP. For example, to more effectively engage with countries in the Mediterranean Dialogue (MD) and the Istanbul Cooperation Initiative (ICI), various NATO stakeholders have recommended focusing on security issues of mutual interest such as nonproliferation and terrorism.<sup>5</sup> Additionally, NATO is considering options to provide other partners, such as Australia and Japan, that are major military or financial contributors to NATO operations, with more concrete ways in which they can participate in the shaping of strategy and decisions on missions to which they contribute.<sup>6</sup> Second, NATO is seeking to enhance routine and crisis consultations with PfP countries on security issues. For instance, some NATO stakeholders have recommended that NATO strengthen its existing commitments to PfP members to hold consultations if their security is threatened, such as during the August 2008 Russia-Georgia War. Some NATO members are reluctant to strengthen such commitments, however, due to concerns that it may involve NATO in conflicts that are not in its best interests or create unrealistic expectations among PfP countries regarding potential NATO assistance. Third, NATO is seeking more effective engagement with PfP countries not aspiring to NATO membership, such as those in Central Asia. Among other things, NATO is considering how to better coordinate and leverage its members' bilateral assistance to these countries. Fourth, NATO is seeking to balance the membership aspirations of some PfP countries with Russian concerns about NATO expansion.

The changing composition of countries participating in the PfP program has affected the budget and focus of DOD's WIF program. The decline in the number of countries participating in the PfP program contributed to a drop in average annual WIF funding from about \$43 million in fiscal years 1996 through 2005 to about \$29 million in fiscal years 2006 through 2010, according to DOD officials. Moreover, the WIF funding is no longer distributed primarily to countries aspiring to become NATO members, as

---

<sup>5</sup>In addition to the PfP, NATO created the MD and ICI partnership programs to establish cooperative relationships with countries in North Africa and the Middle East.

<sup>6</sup>NATO refers to countries such as Australia and Japan as "Partners across the Globe." NATO maintains cooperative relationships with such countries outside of a formal partnership program.

---

in the initial years of the program. The WIF program targeted about 70 percent of funding to aspiring countries in the initial years of the program from fiscal years 1994 through 2000, whereas it only distributed about 20 percent of the 2010 WIF budget to the four PfP countries that currently aspire to join NATO. In addition, DOD established the Defense Institution Building (DIB) program in 2006 as a key focus of the WIF program. DOD developed the DIB program, which received about 20 percent of the WIF budget in fiscal year 2010, to help PfP countries develop more professional and transparent defense establishments. DIB program activities included assisting with strategic defense reviews; developing defense planning, budgeting, and resource management systems; and developing professional military education programs, among others. However, DOD has encountered challenges implementing this program, including potential duplication with other U.S.-funded assistance in some countries and limited interest from other countries, which have contributed to frequent cancellations of planned activities. For example, Georgia and Bosnia preferred to work through ongoing assistance provided by military advisors, funded by the U.S. Foreign Military Financing (FMF) program, rather than through DIB program activities. DOD officials noted that they have undertaken efforts to periodically review the WIF program and adapt it to changes in the PfP program. However, DOD has not formally evaluated the WIF program since 2001, before changes in the focus of the program and the composition of participating countries.

We are recommending that, following the establishment of NATO's new Strategic Concept, which could result in changes to NATO's PfP program, the Secretary of Defense conduct an evaluation of the U.S. WIF program to ensure that it effectively supports the goals of NATO's PfP program.

We provided a draft of this report to the Secretaries of Defense and State for their review and comment. DOD provided oral comments stating that the Department concurs with our recommendation. DOD and State also provided technical comments, which we incorporated in the report as appropriate.

---

## Background

The North Atlantic Treaty was signed on April 4, 1949, by 12 European and North American countries to provide collective defense against the emerging threat that the Soviet Union posed to the democracies of Western Europe. Since its inception, NATO's key objective has been to achieve a lasting peace in the North Atlantic area that is based on the common values of democracy, rule of law, and individual liberty.

---

Currently, 28 countries are members of NATO.<sup>7</sup> Article 10 of the treaty permits accession of additional European states if they are in a position to further the treaty's principles and contribute to North Atlantic security.<sup>8</sup> Under Article 5 of the North Atlantic Treaty, members of NATO agree that an armed attack against any member is considered to be an attack against them all.

The NATO PfP program was launched at the January 1994 NATO summit in Brussels as a way for the alliance to engage the former members of the Warsaw Pact and other former communist states in Central and Eastern Europe.<sup>9</sup> Currently, 22 countries from Europe, Eurasia, and Central Asia are in the PfP program.<sup>10</sup> The objectives of the partnership are to (1) facilitate transparency in national defense planning and budgeting processes; (2) ensure democratic control of defense forces; (3) maintain the capability and readiness to contribute to crisis response operations under the United Nations (UN) and other international organizations; (4) develop cooperative military relations with NATO for the purposes of joint planning, training, and exercises for peacekeeping; search and rescue; and humanitarian operations; and (5) develop forces that are better able to operate with NATO members.<sup>11</sup> NATO also uses the PfP to support countries interested in NATO membership, although it does not promise eventual membership. NATO does not extend Article 5 protection to PfP countries or any country other than NATO members.

---

<sup>7</sup>The 28 NATO members are Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom, and the United States.

<sup>8</sup>While members must unanimously agree to any new country's accession, the treaty contains no explicit criteria that a country must meet in order to join the alliance. Article 10 does not permit additional countries located outside of Europe to join NATO.

<sup>9</sup>The Warsaw Treaty Organization—commonly known as the Warsaw Pact—was created in 1955 and included the Soviet Union, Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania. It was dissolved in 1991.

<sup>10</sup>The 22 countries currently in the PfP program are Armenia, Austria, Azerbaijan, Belarus, Bosnia-Herzegovina, Finland, Georgia, Ireland, Kazakhstan, Kyrgyz Republic, Macedonia, Malta, Moldova, Montenegro, Russia, Serbia, Sweden, Switzerland, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

<sup>11</sup>The PfP Framework Document, which provides the formal basis for the PfP, establishes these objectives. All countries seeking to join the PfP are required to sign the Framework Document. In doing so, countries make several commitments including working to preserve democratic societies and maintain the principles of international law.

---

In addition to the PfP program, NATO has established partnerships with other groups of countries located beyond Europe, Eurasia, and Central Asia to build security relationships and maintain dialogue with countries in other regions of the world. NATO established the MD partnership in 1994—the same year as the PfP. As of September 2010, it includes seven African and Middle Eastern countries.<sup>12</sup> At the June 2004 NATO Summit in Istanbul, NATO established the ICI, and invited six countries of the Gulf Cooperation Council to participate.<sup>13</sup> NATO has also established less formalized partnership relationships with additional countries, referring to them as “Partners across the Globe.”<sup>14</sup>

Since the mid-1990s, NATO has initiated several military operations, most notably the International Security Assistance Force (ISAF) in Afghanistan. Initially, ISAF was a coalition of volunteering countries deployed under the authority of the UN Security Council.<sup>15</sup> In August 2003, the Alliance assumed strategic command, control, and coordination of the mission and established a permanent ISAF headquarters in Kabul. Since then, the operation has grown to about 120,000 troops from 47 countries, including all NATO members, as of August 2010. NATO also intervened militarily in the aftermath of the disintegration of the former Yugoslavia to halt conflict in Bosnia-Herzegovina in 1995, Kosovo in 1999, and Macedonia in 2001. Since December 2004, the NATO-led Kosovo Force (KFOR) has been the only remaining large-scale Allied force deployment in the Balkans, although NATO maintains headquarters in Sarajevo, Bosnia-Herzegovina; and Skopje, Macedonia; to assist the host governments in defense reform and NATO integration. In addition, NATO’s naval forces lead Operation Active Endeavour, a maritime surveillance operation, launched after the September 11, 2001, terrorist attacks, to detect, deter, and protect against terrorist activity in the Mediterranean. NATO vessels started patrolling the Eastern Mediterranean in October 2001 and eventually expanded to the entire Mediterranean in March 2004. NATO also has a noncombat training

---

<sup>12</sup>The MD countries are Algeria, Egypt, Israel, Jordan, Mauritania, Morocco, and Tunisia.

<sup>13</sup>Four of the six Gulf Cooperation Council countries have joined the ICI—Bahrain, Kuwait, Qatar, and the United Arab Emirates. The other two countries, Saudi Arabia and Oman, have shown an interest in the ICI, according to NATO, but have yet to join.

<sup>14</sup>Partners across the Globe countries are Australia, Japan, Republic of Korea, and New Zealand. NATO has also referred to these countries as “Contact Countries.”

<sup>15</sup>The UN Security Council Resolution 1386 of December 20, 2001, provided for the creation of ISAF and its deployment to Kabul and surrounding areas.

---

mission in Iraq, begun in 2004; and a counterpiracy mission off the Horn of Africa, known as Operation Ocean Shield, begun in 2009.

DOD launched the WIF program in July 1994 to support countries that are members of the PfP program. DOD uses defense-wide Operation and Maintenance, and Research and Development funds for the WIF program according to the laws and policies governing these types of funds. The WIF program's goals include:

- assisting PfP partners in building defense institutions that are transparent, accountable, and professional;
- improving U.S./NATO-PfP partner interoperability to enhance partner contributions to coalition operations;
- supporting PfP partner integration with NATO; and
- ensuring democratic control of the armed forces.

WIF funding supports the participation of PfP countries in bilateral and multilateral military exercises and military contact programs, including seminars, workshops, conferences, exchanges, and visits. Within DOD, different components are responsible for the implementation of the WIF program. Appendix II provides descriptions of these components and the level of WIF funding allocated to them in the fiscal year 2010 budget. WIF funding may also be used in conjunction with other security cooperation programs that support the goals of the WIF and PfP programs. Appendix III provides descriptions of these related programs and the level of funding they provided to PfP countries in fiscal year 2009. DOD relies on other funding, such as the Coalition Support Fund, to cover the cost of partner countries' participation in NATO operations.

---

## The PfP Has Evolved in Several Key Ways Due to Changing Political Circumstances and Security Threats

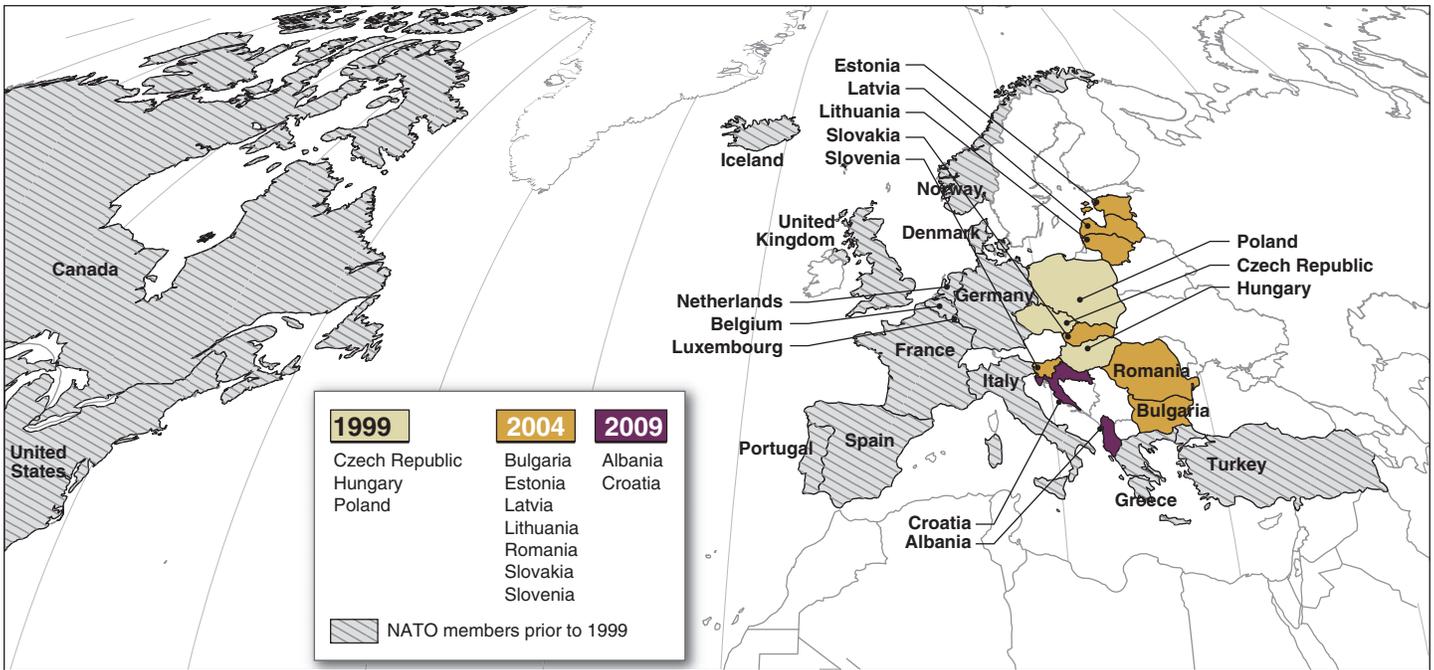
The PfP program has evolved in four key ways since July 2001, when we last reported on the program. First, several PfP countries from Central and Eastern Europe have become members of NATO, resulting in a decline in the total number of PfP countries and the number of PfP countries aspiring to NATO membership. Second, NATO has developed additional mechanisms for engaging with PfP countries, allowing partners additional opportunities to tailor their participation in the PfP based upon their individual objectives and capacities. Third, the growing size and significance of the NATO operation in Afghanistan has increased NATO's emphasis on developing PfP countries' capabilities for participating in NATO military operations and the strategic importance of the Caucasus and Central Asian PfP countries to NATO, given their proximity to Afghanistan. Fourth, as NATO has taken steps to wind down its peacekeeping efforts in the Balkans, it has increasingly used the PfP to build cooperative relationships with countries in the region, marking a shift in its role in stabilizing that part of Europe.

---

## The Number of PfP Countries Aspiring to Membership Has Declined

Since 2001, several PfP countries from Central and Eastern Europe have become members of NATO, resulting in a decline in the total number of PfP countries and the number of PfP countries aspiring to NATO membership. While NATO has utilized the PfP for a variety of purposes, historically, NATO's primary focus for the program has been to assist interested countries in preparing to become NATO members. However, the PfP's function as a pathway to membership has diminished as the composition of countries in the program has changed. As figure 1 shows, 12 former PfP countries have joined NATO since the PfP's establishment in 1994, including 9 countries since our previous report on the PfP in 2001.

**Figure 1: Former PfP Countries that Have Joined NATO**



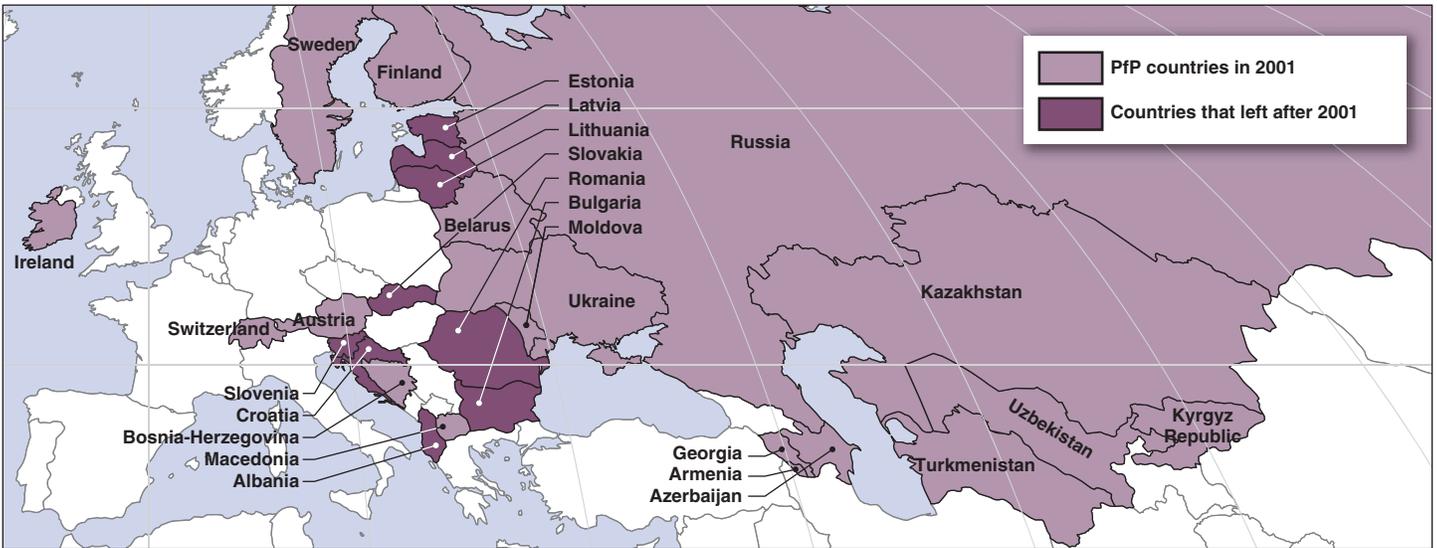
Source: GAO analysis of NATO data.

While 9 countries have left the PfP since 2001, 5 new countries have also joined—Bosnia-Herzegovina, Malta,<sup>16</sup> Montenegro, Serbia, and Tajikistan—bringing the total number of current PfP members to 22 (see fig. 2).

<sup>16</sup>Malta originally joined the PfP in 1995, but then suspended its participation in 1996. It rejoined the PfP in 2008.

Figure 2: Comparison of PfP Countries in 2001 and 2010

PfP Countries in 2001



PfP Countries in 2010



Source: GAO analysis of NATO data.

---

While the PfP has always included some countries that did not aspire to join NATO, NATO and U.S. officials with whom we spoke noted that the number of PfP countries seeking NATO membership has declined as the majority of those countries interested in joining have already done so. Of the 22 countries currently in the PfP, only 4 are actively pursuing NATO membership: Bosnia-Herzegovina, Georgia, Macedonia, and Montenegro. Ukraine had previously pursued NATO membership, but is no longer doing so, given the outcome of the country's February 2010 presidential elections.<sup>17</sup>

Three of the countries aspiring to membership—Bosnia-Herzegovina, Montenegro, and Macedonia—have been offered a MAP, the final step that countries complete before NATO offers membership. Nine of 26 PfP countries had MAPs at the time of our previous report in 2001. During the MAP process, countries are required to undertake an intensive set of reforms that extend beyond their defense institutions, in order to bring the countries in line with NATO standards. Macedonia has had a MAP since 1999, and NATO has committed to offering it membership as soon as it resolves its dispute with Greece over its constitutional name.<sup>18</sup> NATO has offered the other two countries a MAP only within the last year. NATO's Foreign Ministers offered Montenegro a MAP in December 2009. In April 2010, the NATO Foreign Ministers voted to offer Bosnia-Herzegovina a MAP; however, the Foreign Ministers decided that Bosnia-Herzegovina can only fully participate in MAP once it takes the necessary steps to transfer ownership of various immovable military assets (such as bases) from its two entity governments to the central government.<sup>19</sup>

---

<sup>17</sup>Current Ukrainian President Viktor Yanukovich has reversed his predecessor's policy of pursuing NATO membership for Ukraine. Subsequent to his election in February 2010, he signed legislation declaring Ukraine a "non-bloc" state and specifying that Ukraine is not pursuing membership in NATO.

<sup>18</sup>"Macedonia" is an unofficial name for the state recognized by the U.S. government as "the Former Yugoslav Republic of Macedonia." Macedonia has claimed the right to use and be recognized by its constitutional name, "the Republic of Macedonia." However, Greece, whose largest province borders the former Yugoslav republic and is also called "Macedonia," has raised objections, claiming that the name usurps Greece's heritage and implies aspirations to Greek territory. Greece has blocked approval of Macedonia's NATO membership pending the resolution of the issue.

<sup>19</sup>Under the 1995 Dayton Peace Agreement, which ended the 3-year war, Bosnia-Herzegovina continued as a sovereign state within its internationally recognized borders and consisted of two semiautonomous "entities": the Federation of Bosnia-Herzegovina and the Republika Srpska.

---

Most current PfP countries have not indicated an interest in joining NATO, or, in the case of the five Central Asian PfP countries, are not eligible for NATO membership because of their geographic location outside of Europe.<sup>20</sup> According to NATO, U.S., and PfP country officials, these countries participate in the PfP for a variety of reasons including the opportunity for dialogue with NATO on security issues, the ability to access NATO training and technical assistance to support reform efforts and build interoperability with NATO, the opportunity to contribute to NATO operations, and the desire to counter external pressures from other countries.

---

### NATO Has Created a Range of Partnership Mechanisms in which PfP Countries Can Participate Based upon Their Differing Needs

Since our report in 2001, NATO has created a variety of new partnership mechanisms and modified existing mechanisms to allow PfP countries to tailor their participation in the program based upon their unique capacities and objectives. With nine PfP countries having joined NATO since 2001, leaving fewer countries aspiring to membership, these mechanisms enable current PfP countries to structure their cooperation with NATO in ways other than the MAP process. The 22 countries currently in the PfP differ significantly in terms of geographic location, military capabilities, political systems, and economic development, ranging from developed Western European democracies, such as Switzerland, to developing, authoritarian states in Central Asia, such as Turkmenistan. These mechanisms allow this diverse group of PfP countries the flexibility to shape their participation in the PfP based upon their unique needs (see table 1). Three of the mechanisms in table 1, the Individual Partnership Programme, the Planning and Review Process, and the Operational Capabilities Concept focus primarily on PfP countries' defense and military goals. The three other mechanisms in figure 3, the Individual Partnership Action Plan, the Annual National Programme, and the MAP, also allow PfP countries to establish defense and military goals. However, these mechanisms are broader in scope with countries also identifying political, legal, economic, security, and other goals they would like to work with NATO to achieve.

---

<sup>20</sup> Article 10 of the North Atlantic Treaty limits NATO expansion to European states.

**Table 1: Partner Countries' Participation in Key PfP Mechanisms**

Partner country	Defense and military goals			Defense, military, and additional goals		
	Individual Partnership Programme	Planning and Review Process	Operational Capabilities Concept	Individual Partnership Action Plan	Annual National Programme	Membership Action Plan
<i>Balkans</i>						
Bosnia-Herzegovina	X	X	X	X		X
Macedonia	X	X	X		X	X
Montenegro	X	X	X		X	X
Serbia	X	X				
<i>Caucasus</i>						
Armenia	X	X	X	X		
Azerbaijan	X	X	X	X		
Georgia	X	X	X		X	
<i>Eastern Europe</i>						
Belarus	X	X				
Moldova	X	X	X	X		
Russia	X					
Ukraine	X	X	X		X	
<i>Western Europe</i>						
Austria	X	X	X			
Finland	X	X	X			
Ireland	X	X				
Malta	X					
Sweden	X	X	X			
Switzerland	X	X	X			
<i>Central Asia</i>						
Kazakhstan	X	X	X	X		
Kyrgyz Republic	X	X				
Tajikistan	X					
Turkmenistan	X					
Uzbekistan	X	X				
<b>Total</b>	<b>22</b>	<b>18</b>	<b>13</b>	<b>5</b>	<b>4</b>	<b>3</b>

Source: GAO analysis of NATO data.

- 
- 
- *Individual Partnership Programme.* Since NATO established the PfP program in 1994, all participating countries prepare, at a minimum, Individual Partnership Programme documents. Individual Partnership Programmes identify each country's national policy for participating in the PfP, the forces and assets they are willing to make available for PfP activities, and the areas in which they would like to pursue cooperation with NATO. In developing Individual Partnership Programmes, countries select partnership activities and events in which they would like to participate. To improve this process, NATO developed the Euro-Atlantic Partnership Work Plan (EAPWP) in 2004. The EAPWP, which is developed for a 2-year period, lists activities and events offered by NATO, as well as by individual NATO members and other PfP countries. In the 2010-2011 EAPWP, there are over 1,200 activities sorted into 34 areas of cooperation (for more details about these areas of cooperation, see app. IV).
  - *Planning and Review Process.* NATO established the Planning and Review Process in 1994, and modeled it on NATO's own force planning system. The Planning and Review Process allows PfP countries to work more closely with NATO to enhance their interoperability with NATO forces and strengthen their defense institutions. The 18 countries participating in the Planning and Review Process work with NATO to assess their defense capabilities, identify potential contributions to NATO exercises and operations, and select specific goals for developing their defense capabilities and building interoperability (see app. V for further information on partnership goals participating countries have selected through the Planning and Review Process). NATO has made modifications to the Planning and Review Process over time. For instance, in 2004, NATO modified the Planning and Review Process' goals to further support defense reform, defense institution building, and the fight against terrorism.
  - *Operational Capabilities Concept.* In 2004, NATO introduced the current version of the Operational Capabilities Concept to assist PfP countries in improving their ability to work effectively with NATO forces during military operations. Thirteen countries participate in the Operational Capabilities Concept. Through this process, countries identify specific military units that they want to develop to NATO standards. NATO then evaluates and certifies these units as ready to participate in NATO operations.
  - *Individual Partnership Action Plan.* NATO created the Individual Partnership Action Plan mechanism in 2002 to allow PfP countries to develop deeper and more individualized cooperation with NATO than the

---

Individual Partnership Programme, without having to commit to pursuing NATO membership. The Individual Partnership Action Plan process is a 2-year cycle in which participating partners identify specific goals for cooperation with NATO related to political, economic, and other reforms in addition to their defense and military goals. As part of the Individual Partnership Action Plan process, NATO also conducts assessments of the progress participating partners are making toward meeting these goals. Of the five countries currently with Individual Partnership Action Plans, only Bosnia-Herzegovina aspires to become a NATO member.

- *Annual National Programme and MAP.* Annual National Programmes are associated with countries aspiring to become NATO members. The Annual National Programme process is similar to that for the Individual Partnership Action Plan and they address similar types of issues; however, Annual National Programmes are updated every year and NATO expects participating countries to establish more ambitious reform objectives that will bring their institutions in line with NATO standards. Additionally, NATO assesses participating countries' progress in achieving reform objectives annually instead of biennially and places greater scrutiny on the extent and pace of progress. In the past, only countries in the MAP process completed Annual National Programmes. However, in 2008, NATO offered Georgia and Ukraine Annual National Programmes, but not MAPs, to acknowledge their membership aspirations, reward them for the progress they had already demonstrated in undertaking reforms, and encourage them to set goals and undertake additional reforms consistent with NATO standards.<sup>21</sup> When NATO's Foreign Ministers voted to offer Bosnia-Herzegovina a MAP in April 2010, they decided that NATO would not accept Bosnia-Herzegovina's first Annual National Programme until it had taken the necessary steps to transfer ownership of its immovable military assets from its two entity governments to the central government.<sup>22</sup>

---

<sup>21</sup>Georgia and Ukraine requested MAPs at NATO's 2008 summit, but NATO declined to grant either country a MAP given disagreement among members about whether the countries were ready and given concerns that it would escalate tensions with Russia. However, NATO stated its intention to offer the two countries membership at some point in the future. Subsequently, Ukraine has chosen to no longer pursue NATO membership.

<sup>22</sup>Once Bosnia-Herzegovina's Annual National Programme is accepted, the Annual National Programme will supersede its Individual Partnership Action Plan and it will no longer be considered as participating in this mechanism.

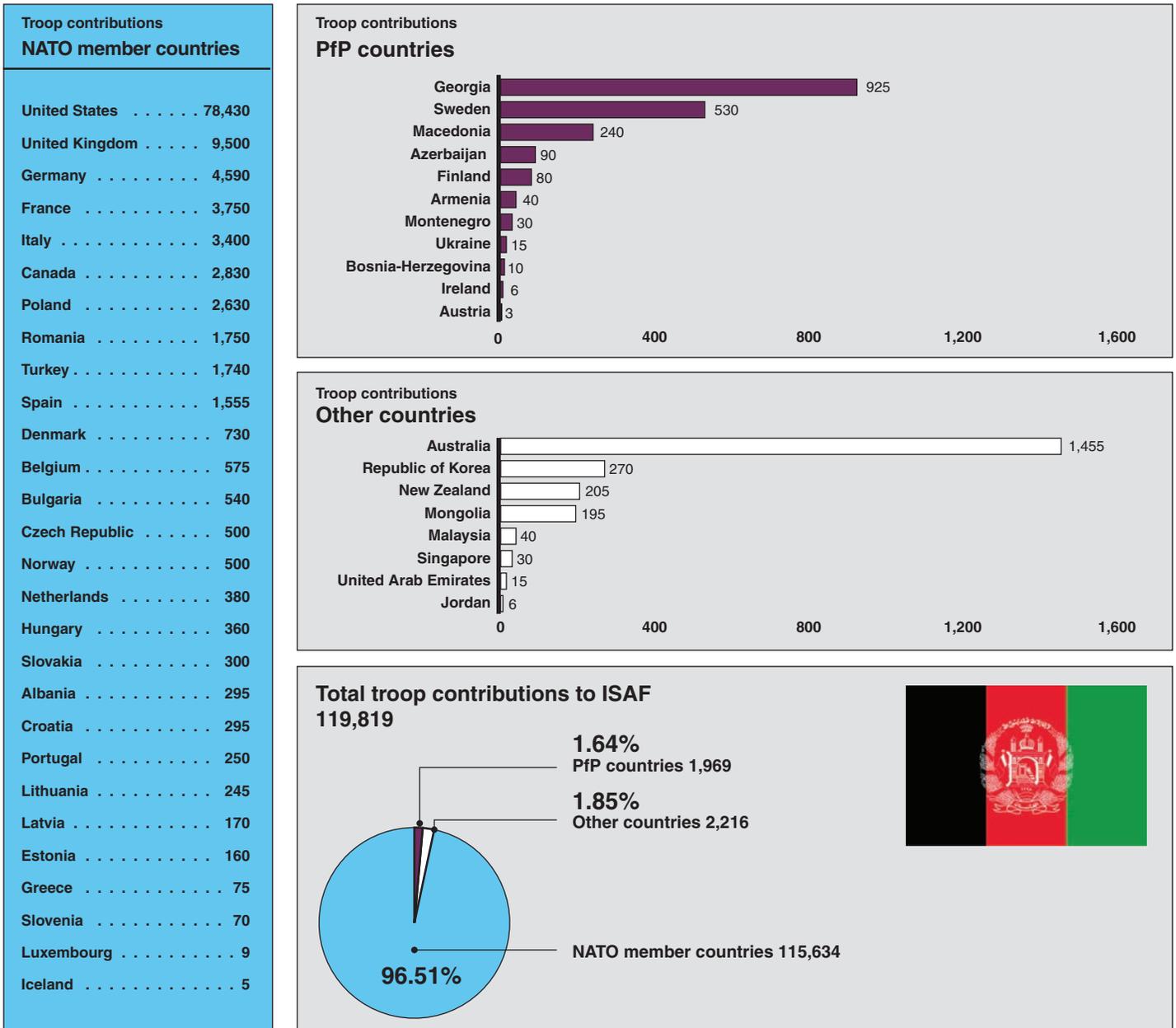
---

## NATO Has Placed an Increased Emphasis on Obtaining Support from PfP Countries for Its Operation in Afghanistan

The growing size and significance of the NATO operation in Afghanistan has increased both NATO's emphasis on developing PfP countries' capabilities for participating in NATO military operations and the strategic importance of the Caucasus and Central Asian PfP countries to NATO, given their proximity to Afghanistan. In recent years, NATO has made the operation in Afghanistan its top priority and ISAF has grown from 5,000 to approximately 120,000 troops since NATO assumed command of the force in August 2003. Consequently, NATO has placed an increased emphasis on obtaining support from PfP countries for this operation. This focus has been highlighted in NATO summit statements. For instance, at their 2004 Istanbul Summit, NATO Heads of State declared their intention to provide partners with increased opportunities to enhance their contributions to NATO-led operations, and to help transform their defenses in keeping with NATO's own evolving operational roles and capabilities. At their 2008 Bucharest Summit, NATO Heads of State affirmed the high value they place on partners' contributions to NATO operations and stated they would continue to strive to increase interoperability between NATO and partner forces. The importance of PfP countries to NATO's efforts in Afghanistan has also been emphasized by various NATO and NATO member country officials. For instance, during a 2010 speech on NATO's partnerships, the U.S. Ambassador to NATO stated that partner assistance to NATO's operation in Afghanistan is the best example of what partnerships can accomplish.

As shown in figure 3, a range of PfP countries have contributed troops for ISAF. NATO reports that 11 PfP countries had almost 2,000 troops deployed in Afghanistan, as of August 2010. None of the Central Asian countries, or Russia, Belarus, Moldova, and Malta contribute troops to ISAF. Eight additional NATO partner countries that are not in the PfP program also contribute troops to ISAF, including Australia, which contributes approximately 1,450 troops.

**Figure 3: Countries' Troop Contributions to NATO's Operation in Afghanistan (ISAF) as of August 2010**



Source: GAO analysis of NATO data; www.CIA.gov (flag).

Note: These numbers are approximates and, according to NATO, change on a regular basis.

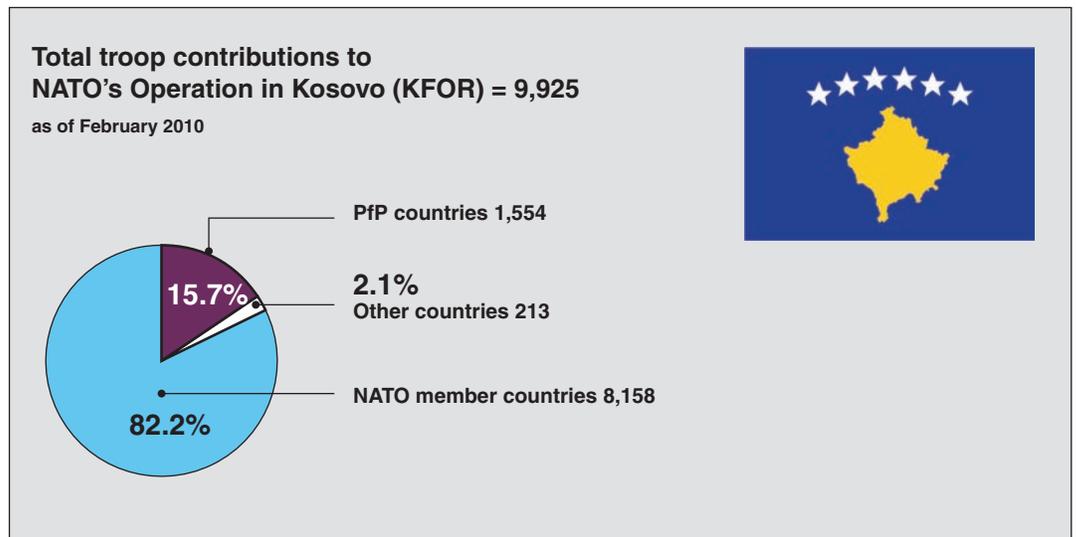
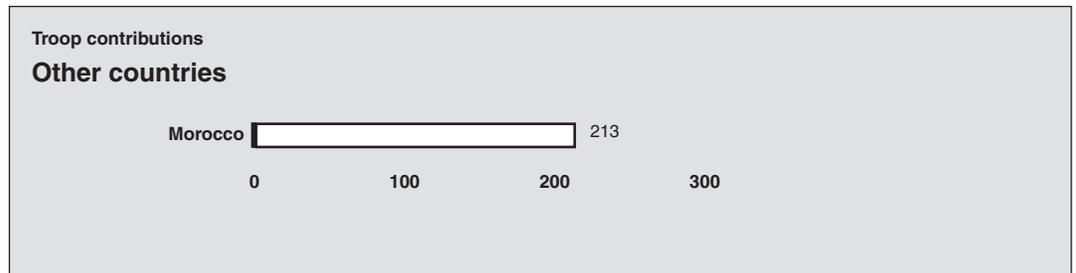
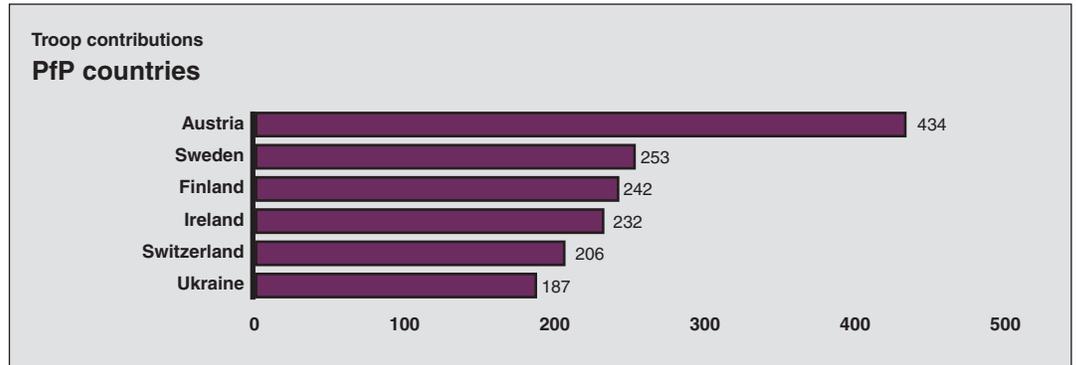
---

Some PfP countries that do not provide troop contributions to NATO operations offer other types of support, such as overflight access, land access, or basing rights. Four of the five Central Asian PfP countries provide logistic and/or host nation support to ISAF. For instance, in May 2009, Uzbekistan signed an agreement with NATO that allowed for the rail transit of nonmilitary goods through its territory to Afghanistan to support NATO operations. Turkmenistan is the only Central Asian country that has not provided such support. In addition to contributing troops to ISAF, two Caucasus countries, Georgia and Azerbaijan, also provide logistic support, including allowing overflight rights and the rail transit of nonmilitary goods. NATO and U.S. officials with whom we met stated that this type of assistance from the Caucasus and Central Asian PfP countries is critical to NATO's execution of the war in Afghanistan. Additionally, NATO has noted that the relationships developed through the PfP have laid the basis for many of these agreements.

In addition to ISAF, NATO has looked to partners to provide troop contributions to KFOR. As figure 4 shows, six PfP countries contributed troops to NATO's operation in Kosovo, as of February 2010. These six countries include five Western European partners and Ukraine. Morocco, an MD partner, also contributed 213 troops to KFOR, as of February 2010.

**Figure 4: Countries' Troop Contributions to NATO's Operation in Kosovo (KFOR) as of February 2010**

Troop contributions NATO member countries	
Germany	1507
United States	1480
Italy	1409
France	807
Turkey	465
Slovenia	387
Greece	366
Czech Republic	321
Portugal	279
Hungary	241
Poland	227
Denmark	188
Slovakia	146
Romania	145
Belgium	99
Luxembourg	29
Croatia	20
Bulgaria	10
Netherlands	10
Norway	6
Canada	5
United Kingdom	5
Spain	3
Albania	2
Estonia	1



Source: GAO analysis of NATO data; www.CIA.gov (flag).

Note: These numbers are approximates and, according to NATO, change on a regular basis.

---

NATO has noted that partners' contributions to ISAF and KFOR have helped ease the burden on its members from conducting multiple operations.

---

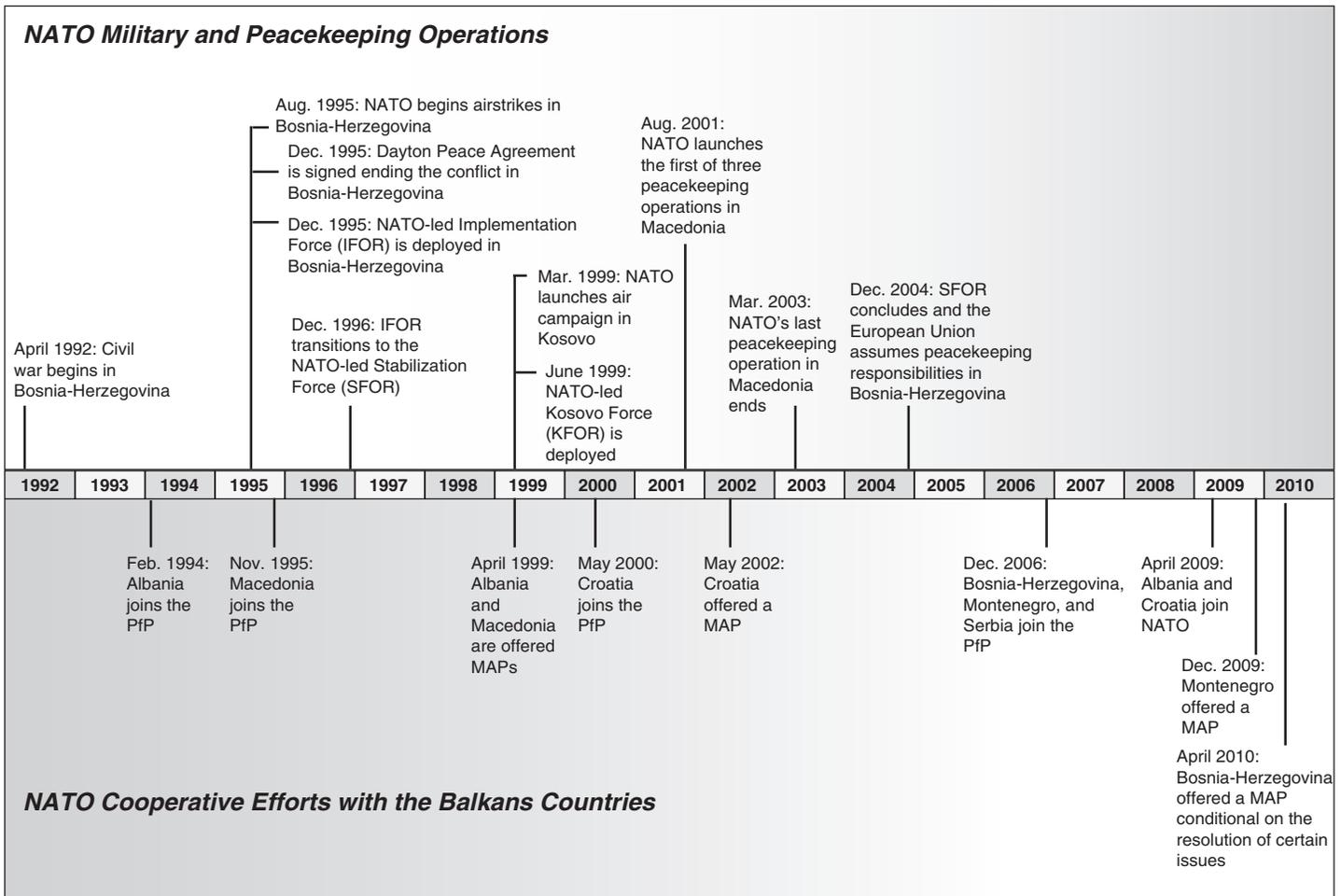
### NATO Has Utilized the PfP to Increase Stability in the Balkans as NATO Forces Have Drawn Down

A fourth key way the PfP has evolved since our previous report on the PfP centers on NATO's efforts in the Balkans.<sup>23</sup> As figure 5 shows, NATO has established several peacekeeping missions in the Balkans since the mid-1990s. However, as NATO has taken steps to wind down its peacekeeping efforts in the Balkans, it has increasingly used the PfP to build cooperative relationships with countries in the region, marking a shift in its role in stabilizing that part of Europe. NATO has relied on the promise of these cooperative relationships and eventual NATO membership to encourage reforms in the Balkan countries designed to reduce the risk of future violence.

---

<sup>23</sup>For the purposes of this report, the Balkans region is defined as Albania, Bosnia-Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia.

**Figure 5: Timeline of Key NATO Events in the Balkans**



Source: GAO presentation of NATO data.

Since our report in 2001, NATO has continued to invite additional countries in the Balkans to participate in the PfP. As of 2010, NATO has invited all the Balkan countries to participate in the PfP, with the exception of the newly independent Kosovo.<sup>24</sup> Before inviting Bosnia-Herzegovina, Montenegro, and Serbia to join the PfP in 2006, NATO

<sup>24</sup>Kosovo declared its independence from Serbia on February 17, 2008. The next day, the United States formally recognized Kosovo as an independent and sovereign state. Several other NATO members have also recognized Kosovo's independence; however, others such as Greece, Romania, Slovakia, and Spain have not.

---

placed various requirements on the three countries. For instance, NATO required the countries to cooperate fully with the International Criminal Tribunal for the former Yugoslavia. Additionally, NATO required that Bosnia-Herzegovina eliminate its two entities' parallel defense structures and develop a unified command and control structure.

Montenegro and Bosnia-Herzegovina have progressed in their membership aspirations since joining the PfP in 2006. Montenegro joined the MAP process in December 2009 and NATO invited Bosnia-Herzegovina to do so in April 2010; however, it must resolve the issue of transferring its immovable defense property, such as military bases, to state control before it can fully participate. The two countries have also cooperated with NATO on various reforms. For instance, a representative from Montenegro's delegation to NATO noted that his country has worked closely with NATO to complete a Strategic Defense Review and has made significant progress in tailoring the size and composition of its military to its actual needs. A representative from Bosnia-Herzegovina's delegation to NATO stated that his country has made strides in ensuring civilian control over the military through Bosnia-Herzegovina's participation in the PfP. A NATO official based in Sarajevo also noted that Bosnia-Herzegovina has almost completed the process of unifying its military under state control. While Serbia has not engaged with NATO to the same extent as Bosnia-Herzegovina or Montenegro, it has also taken steps to further its participation in the PfP. For instance, it joined the Planning and Review Process in 2007. Additionally, NATO and Serbia created a Serbia-NATO Defense Reform Group in 2006 to support Serbia's efforts to reform and modernize its military.

Two Balkan countries—Albania and Croatia—became NATO members in April 2009. A year earlier at NATO's Bucharest summit, the heads of state from NATO countries noted that the two countries had demonstrated their commitment to the promotion of collective security among the NATO countries and had embraced NATO's shared values. The President's Report to Congress on the Future of NATO Enlargement in 2009 highlighted the role the PfP had played in preparing the two countries to assume the responsibilities of membership. For instance, the report noted that the PfP had assisted the two countries in making significant progress in reforming their militaries and developing forces that were interoperable with NATO. In addition, NATO has determined that Macedonia has also successfully met the requirements for membership and will be admitted into NATO once it has resolved its dispute with Greece over its name.

---

## NATO Is Considering Ways to Strengthen Its Partnerships as Part of the Development of Its New Strategic Concept

NATO's new Strategic Concept is expected to highlight the importance of the PfP and other NATO partnerships and discuss ways to strengthen these partnerships further. Specifically, NATO is debating how to (1) strengthen its partnerships with countries outside of the PfP, (2) enhance routine and crisis consultations with PfP countries on security issues, (3) more effectively engage with PfP countries, such as those in Central Asia, that are not seeking membership, and (4) balance PfP countries' aspirations for membership with Russian concerns about NATO expansion.

---

## NATO Is Considering How to Strengthen Partnerships with Countries outside the PfP

NATO's new Strategic Concept<sup>25</sup> is expected to highlight the importance of the PfP and NATO's other partnerships, given the widespread acknowledgment among NATO members that partnerships are critical to NATO's ability to address many of the security challenges it faces, including terrorism and the proliferation of weapons of mass destruction.<sup>26</sup> The Group of Experts' May 2010 report to NATO's Secretary General highlighted the importance of partnerships, citing the strengthening of partnerships as one of NATO's four core tasks for the next 10 years.<sup>27</sup> As figure 6 shows, NATO's partnerships extend beyond the PfP and include countries from around the world that fall into various partnership groupings including the MD, the ICI, and Partners across the Globe.

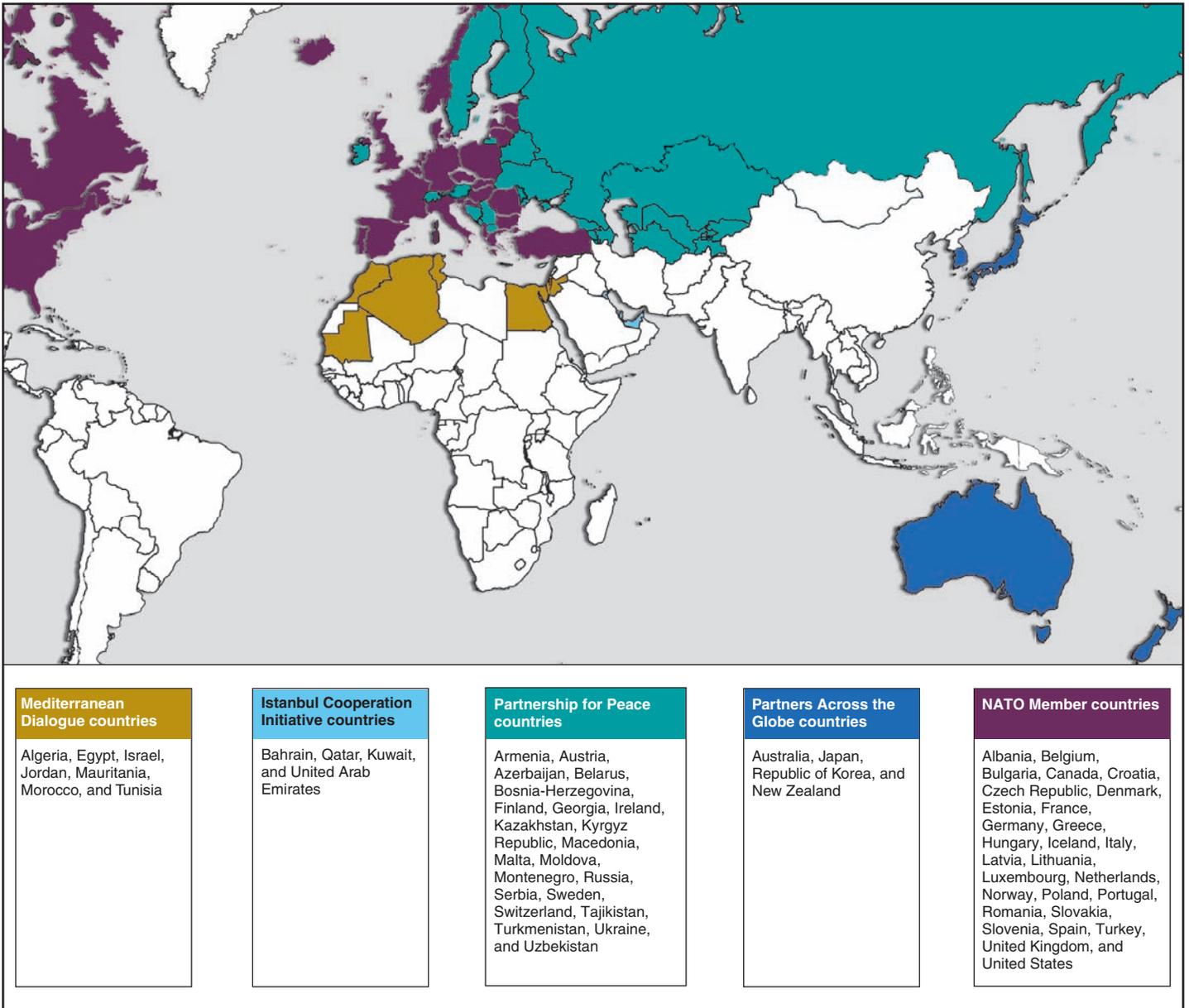
---

<sup>25</sup>NATO leaders called for the development of a new Strategic Concept at their April 2009 summit in Strasbourg, France; and Kehl, Germany; to replace the previous Strategic Concept completed in 1999. This new Strategic Concept will lay out NATO's vision regarding its future mission and activities. The new Strategic Concept is scheduled to be approved at NATO's November 2010 summit in Lisbon, Portugal.

<sup>26</sup>According to U.S. officials, the new Strategic Concept is expected to be a relatively short document. While the Strategic Concept is expected to highlight the importance of the PfP and NATO's other partnerships, it will not likely prescribe specific partnership reforms. Rather, U.S. officials expect that NATO will develop supporting plans that will provide more details on how it intends to implement specific elements of the Strategic Concept.

<sup>27</sup>As part of the process to develop the new Strategic Concept, NATO leaders directed NATO's Secretary General to convene a group of qualified experts to provide analysis and recommendations to assist him in drafting a new Strategic Concept. This 12-member "Group of Experts," chaired by former U.S. Secretary of State, Madeleine Albright, held a series of seminars, consultations, and meetings with civilian and military officials from NATO member and partner country governments, as well as other NATO stakeholders. The Group then produced a report outlining its findings and recommendations. See: NATO, *NATO 2020: Assured Security; Dynamic Engagement—Analysis and Recommendations of the Group of Experts on a New Strategic Concept for NATO* (Brussels, Belgium, May 17, 2010).

**Figure 6: Map of Countries Participating in NATO's Partnership Programs**



Source: GAO presentation of NATO data.

---

Some NATO members, including the United States, have advocated for NATO to pursue a more global partnership agenda. According to a U.S. mission to NATO official, the United States had previously proposed eliminating the distinctions between NATO's various partnership programs and creating one consolidated, global partnership program. Some NATO stakeholders have argued that NATO is an organization facing global security threats and that by strengthening partnerships with key countries around the world, it will allow NATO to better draw upon these partnerships as such threats arise. However, some NATO members, such as France and Germany, have been reluctant to make these partnerships a key focus for NATO, believing that it pushes NATO away from its traditional focus on Europe. These NATO members believe that NATO should continue to place the PfP above its other partnership efforts, given the PfP countries' geographic proximity to NATO territory. Various NATO stakeholders have also raised concerns that if NATO increases its engagement with partners outside of the PfP it will result in declining NATO resources for PfP countries, given NATO's expected budget shortfalls in upcoming years.

As the scope of NATO's partnerships is debated, NATO is also considering steps to work more effectively with its partners in the MD and the ICI. The Group of Experts noted in its report that the accomplishments of the MD and ICI programs have been relatively modest to date. Accordingly, various NATO stakeholders have recommended that NATO focus its efforts on areas of mutual concern such as nonproliferation, terrorism, missile defense, and Iran. To this end, the Group of Experts recommends that NATO develop a statement of shared interests with the two partnerships to further cooperation in such areas. Additionally, NATO's Allied Command Transformation recommends that NATO should seek to review and reenergize its relationships with partners in the two programs in order to increase the scope and frequency of both its formal and informal engagements with these partners. One option NATO is considering is to increase MD and ICI countries' access to partnership mechanisms that are currently only available to PfP countries. For example, these countries do not have access to all of the activities in the EAPWP. They are also not entitled to participate in the Planning and Review Process or develop Individual Partnership Action Plans.

Unlike the MD and ICI, NATO has not developed a formal partnership structure for cooperation and dialogue with its Partners across the Globe; however, it is assessing ways to deepen its partnership with these countries. Several of these partners are key contributors to NATO's

---

operation in Afghanistan. For example, Australia has contributed more troops than many NATO members. Japan, while not contributing troops, has funded billions of dollars in reconstruction projects. Both NATO's Allied Command Transformation and the Group of Experts have recommended that NATO provide mechanisms to enable global partners to have a meaningful role in shaping strategy and decisions on missions to which they contribute. U.S. officials with whom we spoke noted that these countries are not seeking formalized partnerships with NATO, but are seeking such mechanisms to allow for better coordination with NATO on joint efforts.

---

### NATO Is Seeking to Strengthen Routine and Crisis Consultations with PfP Countries

NATO stakeholders have cited the need for NATO to strengthen its existing commitments to PfP countries to hold consultations with those countries facing security threats. The PfP Framework Document states that, "NATO will consult with any active participant in the Partnership if that Partner perceives a direct threat to its territorial integrity, political independence, or security."<sup>28</sup> Some NATO stakeholders view NATO's failure to hold such consultations with Georgia during the August 2008 Russia-Georgia war as evidence that NATO's current commitments to hold consultations with PfP countries in such situations are insufficient. In recognition of such concerns, the Group of Experts recommended that NATO strengthen crisis consultations, as provided for in the PfP Framework Document. However, a U.S. official with whom we spoke noted that some NATO members are reluctant to strengthen such commitments due to concerns that it may involve NATO in conflicts that are not in NATO's best interests or create unrealistic expectations among PfP countries regarding potential NATO assistance.

Revitalizing existing NATO-PfP councils may also be needed to improve ongoing dialogue between NATO and the PfP countries. The Euro-Atlantic Partnership Council (EAPC) is the forum in which all NATO members and PfP countries come together to discuss relevant political and security issues. NATO and the PfP countries are currently considering various proposals to make the EAPC more dynamic and relevant, including linking the agenda more closely with that of the North Atlantic Council and focusing more on practical issues, such as energy security, where there is opportunity for mutual cooperation. Some NATO

---

<sup>28</sup>NATO's commitment to consult with PfP countries if they face security threats is contained in Paragraph 8 of the PfP Framework Document.

---

stakeholders with whom we met noted that the diversity of countries in the PfP has made substantive and frank discussion at the EAPC challenging, because some PfP countries are reluctant to discuss their security concerns, given other countries that attend. Additionally, stakeholders noted that because the EAPC is not a decision-making body, its meetings seldom result in specific outcomes.

Some NATO stakeholders have also cited the need for NATO to revitalize its commitment to conduct routine and crisis consultations with the priority countries of Russia, Ukraine, and Georgia through existing bilateral councils or commissions. For instance, NATO leaders noted at their 2009 summit that the NATO-Russia Council has not always been adequately utilized and recommended that NATO use the Council to focus on areas where there are opportunities for cooperation, such as nonproliferation, arms control, and counterterrorism. The Group of Experts recommended that NATO regularly make use of the NATO-Ukraine and NATO-Georgia Commissions to discuss mutual security concerns and foster practical cooperation in areas such as defense reform. Other NATO stakeholders have called for NATO to ensure that it honors its commitments to Ukraine and Georgia to, through the two commissions, provide the countries with additional assistance in implementing political and defense reforms.

---

### NATO Is Seeking More Effective Engagement with PfP Countries Not Aspiring to NATO Membership

NATO is also considering how it might increase the effectiveness of its efforts to encourage reforms in PfP countries that are not aspiring to NATO membership. In particular, NATO has cited Central Asia, which has no PfP countries aspiring to membership, as a key area of focus for the PfP since 2004; however, it has struggled to effectively engage with the five countries in the region. For instance, only one of the five countries in the region, Kazakhstan, has elected to develop an Individual Partnership Action Plan. NATO has identified various challenges in engaging these partners, including their reluctance to have their defense ministries scrutinized, their limited financial resources and personnel available for participation in NATO activities, their close relationship with Russia, and their distance from Europe.

To enhance engagement with Central Asian countries, NATO is seeking better coordination among members' bilateral assistance programs. One initiative centers on NATO's clearinghouse mechanisms. These clearinghouses are designed to bring together PfP country representatives and security cooperation officials from NATO countries. Through the clearinghouses, partners can discuss their needs and then

---

NATO members are able to volunteer to provide assistance to meet those needs. NATO has already established such clearinghouses for some PfP countries, such as those in the Caucasus, and is considering establishing one for Central Asia. A NATO official noted that NATO should do a better job of leveraging the types of assistance that individual members can provide that NATO itself cannot, such as the provision of equipment. As an example, the official noted that a Central Asian country has requested radar equipment to support border security requirements. The official noted that if a NATO member would commit to providing this equipment, NATO could use this as an opportunity to encourage the country to take certain actions, including providing additional support for its operation in Afghanistan. As part of its strategy, NATO intends to place a liaison officer in Central Asia to assist in the coordination of NATO members' bilateral assistance and to increase communication between NATO and Central Asian government officials.

---

### NATO Is Debating How to Support PfP Countries' Membership Aspirations, while Not Escalating Tensions with Russia

Various NATO stakeholders have stated that NATO needs to maintain a credible "Open Door Policy" that supports the aspirations of those PfP countries that are seeking NATO membership. Some NATO members and PfP countries have expressed concern that NATO has allowed Russia undue influence in enlargement decisions, particularly for Georgia. In February 2010, U.S. Secretary of State Hillary Clinton stated that NATO membership should be a process between the country and NATO, with no outside party being able to adversely influence the outcome. In addition, the Group of Experts report emphasized the need for a strong Open Door policy stating that NATO should ensure consistency with Article 10 of the North Atlantic Treaty and its principles for enlargement by allowing states interested in joining NATO to move forward as they fulfill their requirements for membership. Certain NATO members have advocated for a slower approach to the prospective membership of some PfP countries to avoid antagonizing Russia. At NATO's January 2010 Strategic Concept seminar, some participants stated that Russian concerns about enlargement should be taken into account. Additionally, some stakeholders have noted that, while NATO should reaffirm its commitment to maintain an open door policy, a slow path to membership for Georgia, would help ease tensions with Russia and provide greater possibilities for NATO-Russia cooperation.

---

## Although Eligible Countries and the Focus of the WIF Program Have Changed, DOD Has Not Evaluated the Program since 2001

As a result of the changing composition of countries in the PfP program, total WIF funding dropped significantly in 2006, and the majority of funds are no longer distributed to countries aspiring to join NATO. DOD also established the DIB program in 2006 as a key focus of the WIF program; however, this relatively new program has faced challenges with its implementation. DOD last formally evaluated the WIF program in 2001 before key changes to both the WIF and PfP programs were implemented.

---

## Amount and Distribution of WIF Funding Reflect Changing Composition of Countries in PfP Program

Since 1999, 12 PfP countries have become NATO members. As a result, fewer PfP countries remain eligible for WIF funding.<sup>29</sup> In 2001, when we last reported on the WIF program, 21 countries were eligible for WIF funding; in 2010, 16 are eligible.<sup>30</sup> According to DOD officials, the decline in the number of WIF-eligible countries contributed to the decreases in WIF budgets. From fiscal years 1996 through 2005, total annual WIF funding averaged about \$43 million. From fiscal years 2006 through 2010, annual WIF funding has averaged about \$29 million.<sup>31</sup>

The distribution of WIF funding among eligible PfP countries also has changed since the initial years of the program. In our 2001 report on the WIF program, we found that WIF funding was primarily targeted to countries aspiring to become members of NATO.<sup>32</sup> From 1994 through

---

<sup>29</sup>As a matter of DOD policy, as defined in its annual budget submission to Congress, a country's participation in NATO's PfP program is required for eligibility to receive WIF funding, according to DOD officials. Consequently, countries lose their eligibility for WIF funding when they become NATO members and, therefore, are no longer part of the PfP program. In addition, countries participating in other NATO partnership programs, such as the MD, are ineligible for WIF funding.

<sup>30</sup>WIF funding may only be provided to PfP countries classified as developing. DOD's guidance for the WIF program states that program managers should use World Bank lists of developing countries to determine eligibility. Of the 22 countries currently in the PfP program, all are developing countries except Austria, Finland, Ireland, Malta, Sweden, and Switzerland. Of the 16 developing countries eligible for WIF funding, the fiscal year 2010 WIF budget did not allocate any funding to Belarus or Russia for policy reasons.

<sup>31</sup>According to a DOD official, the drop in WIF funding also reflected a shift in priorities in programming defense-wide Operations and Maintenance funds.

<sup>32</sup>See [GAO-01-734](#).

2000, about 70 percent of WIF funding was distributed to 12 aspiring countries, according to the 2001 report. With the exception of Macedonia, these countries became NATO members and lost WIF funding. As of September 2010, only four countries aspire to join NATO. As a result, as table 2 shows, the fiscal year 2010 WIF budget only distributes about 20 percent of its funding to aspiring countries.<sup>33</sup>

**Table 2: WIF Funding for Countries Seeking NATO Membership, Fiscal Year 2010**

Country	Fiscal year 2010 budget	Percentage of total
Macedonia	\$1,810,821	5%
Montenegro	1,467,736	4
Bosnia-Herzegovina	1,566,996	4
Georgia	2,509,101	7
<b>Subtotal</b>	<b>7,354,654</b>	<b>21%</b>
<b>Total WIF budget</b>	<b>\$34,876,878</b>	

Source: GAO analysis of DOD data.

Note: The total of \$34,876,878 reflects the sum of approved activities in the fiscal year 2010 WIF budget. This amount exceeds the total fiscal year 2010 WIF budget of \$29,789,000 to allow program implementers flexibility to reprogram funding when events are cancelled. The breakout of funding by country was only available for the approved activities.

In addition, a significant share of the fiscal year 2010 WIF budget—about 35 percent—was devoted to supporting the participation of eligible PfP countries in bilateral or multilateral military exercises.<sup>34</sup> WIF funding was budgeted to support the participation of PfP countries in a number of exercises in fiscal year 2010 ranging from 10 for Georgia to 2 for Turkmenistan and Uzbekistan. DOD views these exercises, which are sponsored by the United States, NATO, or other countries, as a key means of building participating countries' military capability and interoperability

<sup>33</sup> According to DOD, no reliable data showing the distribution of WIF budgets among eligible countries were available before fiscal year 2006. For fiscal years 2006 to 2009, DOD grouped a significant share of the WIF budget into a multiple country category. The fiscal year 2010 budget attributed more of the funding to specific countries rather than group a large share of the funding to a multiple country category. For example, in fiscal year 2009, WIF funding for the multilateral exercise, Combined Endeavor, was budgeted for about \$900,000, all of which was attributed to the multiple country category. In fiscal year 2010, a similar level of WIF funding for Combined Endeavor was distributed in the budget among nine countries.

<sup>34</sup> WIF generally does not pay for U.S. or non-PfP country expenses. U.S. Government or DOD representatives' expenses may be funded according to law and current policy guidance when their expertise is critical to the execution of the event.

---

with U.S. and NATO forces. According to DOD officials, WIF provides a key source of funding to enable PfP developing countries to participate in these exercises.

According to DOD officials, exercises are occasionally cancelled due to political factors in host countries. In fiscal year 2009, four exercises were cancelled, according to DOD. For example, a U.S.-sponsored multilateral exercise, known as Sea Breeze, hosted by Ukraine was cancelled in 2009 when the Ukrainian Parliament failed to authorize foreign troops to enter the country to participate.<sup>35</sup> Consequently, the actual number of exercises WIF supports and amount of WIF funding devoted to exercises are likely to be lower than the budget reflects.

---

### DIB Program is Key Focus of WIF Program, but Has Faced Implementation Challenges

DOD established the DIB program in 2006 as a key focus of the WIF program. The DIB program, which received about 20 percent of the fiscal year 2010 WIF budget, is designed to help eligible PfP countries develop accountable, professional, and transparent defense establishments. The DIB program is also intended to complement NATO's Partnership Action Plan on Defense Institution Building, which NATO established with similar objectives in 2004.

Approved activities in the fiscal year 2010 budget for the DIB program included assisting with strategic defense reviews; developing defense planning, budgeting, and resource management systems; developing professional military education programs; improving human resource management systems; and preparing countries to contribute to peacekeeping operations.<sup>36</sup> In its initial years, the DIB program conducted surveys of PfP countries' defense institutions and developed "roadmaps" to outline key steps the countries needed to take to achieve required reforms. According to DOD, the program has surveyed 11 PfP countries.

The DIB program has faced a variety of challenges in its first few years, which have contributed to frequent cancellations of DIB-sponsored activities. In fiscal year 2009, the DIB program executed only about

---

<sup>35</sup>According to DOD, the Ukraine Parliament has since passed the necessary legislation and Ukraine is scheduled to host the 2011 Sea Breeze exercise.

<sup>36</sup>Preparation for peacekeeping operations included promulgating standards of conduct and NATO-compatible rules of engagement for peacekeeping units, and establishing a line item for peacekeeping operations in the contributing country's budget.

---

\$650,000 in originally approved activities in its \$6.4 million budget.<sup>37</sup> We also found that the DIB program did not execute any of its five originally approved activities in the fiscal year 2010 budget for Georgia and only one of seven for Bosnia-Herzegovina. DOD officials attributed the lack of execution to the existence of similar assistance provided through FMF-funded contracts in some countries and limited interest in DIB program activities in others.

First, DOD officials told us that Bosnia-Herzegovina and Georgia were already receiving similar assistance funded through the FMF program. For example, the DIB program included activities in its fiscal year 2010 budget to help Bosnia-Herzegovina implement its strategic defense review and create a human resource management system. However, FMF-funded advisors were already embedded in Bosnia-Herzegovina's Ministry of Defense and Joint Staff assisting with these efforts. In Georgia, both FMF and DIB funding were directed to help Georgia with its "defense transformation," according to DOD documents. FMF funding provided \$3.8 million in fiscal year 2009 and \$2.5 million in fiscal year 2010 for a contract that provides advice and assistance to Georgia's Ministry of Defense and Air Force for defense sector transformation, according to DOD. This included the building of institutions and systems, the development of doctrine and curricula, the conduct of a National Security Review, and the training of Ministry of Defense and Air Force personnel to improve professionalism and NATO interoperability. At the same time, the DIB program included \$750,000 for defense transformation in its fiscal year 2010 budget for Georgia. According to a DOD official, the DIB program did not implement this assistance, primarily because of Georgia's preference to work through the FMF-funded advisors, who were available to provide full-time assistance, rather than intermittent guidance visits offered through the DIB program.

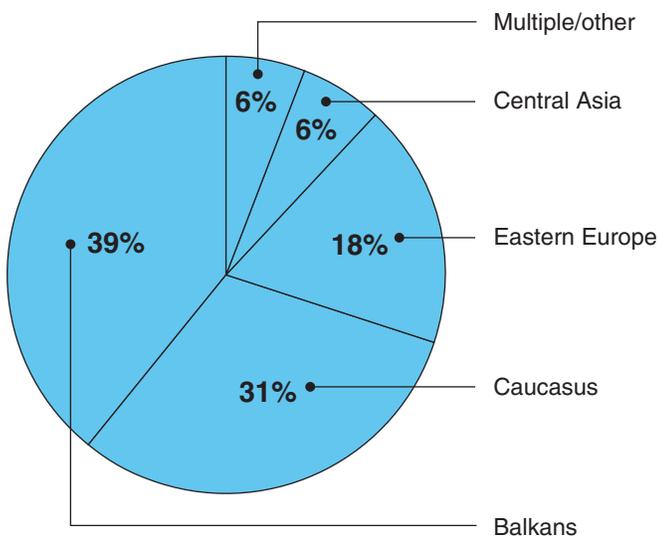
Second, DOD officials noted that some PfP countries have been unwilling to participate in the DIB program's surveys of their defense institutions or have lost interest in participating in follow-up activities after the surveys were completed. For example, according to a DOD official at the U.S. post in Sarajevo, Bosnia-Herzegovina's Ministry of Defense and Joint Staff were not receptive to findings from a DIB assessment, which contributed

---

<sup>37</sup>Ultimately, the DIB program reprogrammed most of its fiscal year 2009 funding for other activities, which were scheduled "out of cycle," and executed between 60 and 65 percent of its fiscal year 2009 budget, according to the Defense Security Cooperation Agency.

to their decision to pursue reforms through FMF-funded advisors instead. DOD officials also noted that the PFP countries from Central Asia resist outside assessments of their defense institutions or undertaking reforms to increase transparency and accountability of these institutions. As shown in figure 7, the fiscal year 2010 WIF budget indicates that the DIB program planned limited assistance for Central Asian countries compared to countries in other regions.

**Figure 7: Fiscal Year 2010 WIF Budget Allocated to the DIB Program, by Country and Region**



Country	DIB Funding
<b>Balkans</b>	<b>3,050,000</b>
Bosnia-Herzegovina	1,150,000
Montenegro	800,000
Serbia	800,000
Macedonia	300,000
<b>Caucasus</b>	<b>2,429,596</b>
Armenia	950,000
Georgia	929,596
Azerbaijan	550,000
<b>Eastern Europe</b>	<b>1,380,000</b>
Ukraine	1,030,000
Moldova	350,000
<b>Central Asia</b>	<b>439,400</b>
Kazakhstan	105,000
Kyrgyz Republic	84,400
Tajikistan	0
Uzbekistan	0
Turkmenistan	0
Central Asia Multiple	250,000
<b>Multiple/Other</b>	<b>500,000</b>
<b>Total</b>	<b>\$7,798,996</b>

Source: GAO analysis of DOD data.

DOD officials noted that the DIB program is still relatively new, although it was first developed in 2006. The Office of the Secretary of Defense only recently transferred management responsibility for the DIB program to the Center for Civil-Military Relations at the Naval Postgraduate School in Monterey, California. The Center established a management team in January 2010 and intends to develop a plan for evaluating the DIB program, according to an official there.

---

## DOD Last Evaluated the WIF Program in 2001

Two DOD-commissioned assessments of the WIF program were completed in 2000 and 2001.<sup>38</sup> These assessments sought to analyze the objectives, activities, and accomplishments of Warsaw Initiative programs and identify the lessons learned from program implementation and results. The assessments found that the majority of WIF activities were successful in enhancing the ability of recipient countries' militaries to contribute to NATO operations and to operate with NATO forces. The assessments also found that the WIF program should do a better job of taking into account the recipient countries' capacities to absorb or apply the assistance provided. According to DOD officials, no formal evaluations specifically of the WIF program have taken place since these two assessments were conducted in 2000 and 2001.<sup>39</sup> Federal standards for internal controls indicate that U.S. agencies should monitor and assess the quality of performance over time.<sup>40</sup> Moreover, GAO's Internal Control Tool states that separate evaluations are often prompted by events such as major changes in management plans or strategies.<sup>41</sup> In commenting on our draft of this report, DOD noted that the Department has conducted periodic reviews of the WIF program and as a result, the program has evolved over time to keep pace with changes in NATO.

WIF program managers conduct midyear budget reviews and program management reviews each year. The budget review is designed primarily to assess the execution of WIF funds for the first half of the year and determine if any funds should be reallocated; however, the Defense Security Cooperation Agency (DSCA) did not have data readily available on how funds were reprogrammed when events were cancelled. According to DOD officials, the program management review is a forum for program managers and stakeholders to discuss ways the program can be improved and any lessons learned. Program implementers also

---

<sup>38</sup>DFI International, *Assessing the Practical Impact of the Warsaw Initiative* (Washington, D.C., Feb. 2001); and *Developing the Warsaw Initiative and Minimizing Risks in the Russia Relationship* (Washington, D.C., Sept. 2000).

<sup>39</sup>The DOD Office of Inspector General conducted an audit of the WIF program in 2005 which focused primarily on compliance with statutory funding requirements and restrictions, rather than an evaluation of program priorities, and outcomes or impacts. See Inspector General of the Department of Defense, *Joint Warfighting and Readiness: DOD Execution of the Warsaw Initiative Program*, D-2005-085 (Arlington, Va., July 1, 2005).

<sup>40</sup>GAO, *Standards for Internal Control in Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1, 1999).

<sup>41</sup>GAO, *Internal Control Management and Evaluation Tool*, [GAO-01-1008G](#) (Washington, D.C.: August 2001).

---

prepare after action reports on individual events supported by WIF funding that include evaluations of results, according to DSCA officials. In addition, DOD officials also noted that while the department does not assess results of the WIF program specifically, it monitors progress countries make in achieving broader U.S security cooperation goals, which are supported by a variety of programs and funding streams, including WIF.

---

## Conclusion

The WIF program provides a key source of DOD funding to support eligible countries' participation in NATO's PfP program. NATO's new Strategic Concept, due at the end of 2010, will likely lead to further changes to the PfP program and other partnerships that could have implications for the WIF program. For example, DOD may need to reconsider how it defines eligibility for WIF funding to complement efforts by NATO to increase the level of cooperation activities with partner countries outside of the PfP program. DOD's current policy is that WIF funding is only available to NATO partner countries in the PfP program. While DOD officials noted that they have undertaken efforts to periodically review and adapt the WIF program to changes in the PfP program, the last formal evaluation of the WIF program took place in 2001. This was before the focus of the PfP and WIF programs changed in response to the changing composition of participating countries and the critical need for partner contributions to the NATO-led war in Afghanistan. In addition, the challenges DOD has faced in implementing the WIF-funded DIB program, including potential duplication of other U.S.-funded assistance, heighten the need to assess whether the WIF program is effectively supporting PfP countries' goals for cooperation with NATO and NATO's efforts to deepen its relationships with partner countries.

---

## Recommendation for Executive Action

We recommend that, following the establishment of NATO's new Strategic Concept, which could result in changes to NATO's PfP program, the Secretary of Defense conduct an evaluation of the U.S. WIF program to ensure that it effectively supports the goals of NATO's PfP program.

---

## Agency Comments and Our Evaluation

We provided a draft of this report to the Secretaries of Defense and State for their review and comment. DOD provided oral comments stating that the Department concurs with our recommendation. In commenting on our draft, DOD noted that the Department has conducted periodic reviews of the WIF program and, as a result, the program has evolved

---

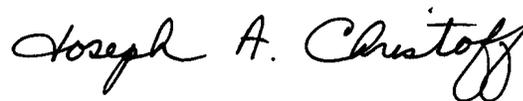
over time to keep pace with changes in NATO. DOD and State also provided technical comments, which we incorporated in the report as appropriate.

---

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the Secretaries of Defense and State and other interested congressional committees. In addition, this report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.

Sincerely yours,



Joseph A. Christoff  
Director, International Affairs and Trade

---

# Appendix I: Scope and Methodology

---

Our objectives were to (1) describe how the Partnership for Peace (PfP) program has evolved since GAO last reported on it; (2) describe options the North Atlantic Treaty Organization (NATO) is considering for the future of the PfP and other partnership programs under the new Strategic Concept; and (3) analyze support to PfP countries through the U.S. Warsaw Initiative Fund (WIF) program. To address these objectives, we analyzed NATO, Department of Defense (DOD), and Department of State (State) documents; academic literature related to PfP and WIF programs; and WIF funding data for fiscal years 2006 through 2010. We met with DOD and State officials in Washington, D.C., and the U.S. Mission to NATO in Brussels, Belgium. We also met with NATO officials at both NATO Headquarters in Brussels and at Supreme Headquarters Allied Powers Europe in Mons, Belgium, as well as with representatives from five PfP countries and one NATO member country. In addition, we conducted phone interviews with geographic U.S. combatant command officials who have PfP countries in their areas of responsibility—European Command (EUCOM) in Stuttgart, Germany, and Central Command (CENTCOM) in Tampa, Florida. We also reviewed relevant GAO and Congressional Research Service reports to obtain additional background information on NATO, the PfP, and NATO and the United States' security cooperation relationships with PfP countries.

In addition, we selected three countries—Bosnia-Herzegovina, Georgia, and Kazakhstan—to examine NATO's bilateral relationship with PfP partners and U.S. support through the WIF program in greater depth. We sought to pick countries that differed, among other things, in terms of their geographic location, level of participation in the PfP, interest in NATO membership, and contributions to NATO operations. We met with State and DOD officials at the U.S. Embassy in Tbilisi, Georgia; Government of Georgia officials; and NATO officials based in Tbilisi. We also conducted telephone interviews with U.S. officials in Sarajevo, Bosnia-Herzegovina; and Astana, Kazakhstan; and with an official from NATO Headquarters, Sarajevo. This sample of three countries is not intended to be representative of all countries participating in the PfP program or receiving WIF funding.

To describe how the PfP program has evolved since 2001 when GAO last reported on it, we reviewed a variety of relevant NATO documents that provided information on the PfP and analyzed how it has evolved over time. These documents included background materials that NATO has produced on the PfP generally and on specific PfP mechanisms. We also reviewed materials NATO has produced describing NATO enlargement since the PfP was created in 1994 and materials describing the

organization's cooperative efforts with specific PfP countries. Additionally, we assessed the results of NATO reviews of the PfP conducted in 2002 and 2004 and reviewed NATO summit statements from 1999 through 2009 to identify decisions NATO leaders have made about the PfP. We also reviewed NATO guidance on the PfP, such as NATO's Handbook, the 2009 Euro-Atlantic Partnership Work Plan (EAPWP) Overarching Guidance, and the 2009 Planning and Review Process (PARP) Ministerial Guidance. In order to assess PfP countries' level of engagement with NATO and their use of key mechanisms, we also reviewed examples of Individual Partnership Action Plans, Annual National Programmes, and PARP documents. We also reviewed corresponding assessments for these documents that describe NATO's findings about partners' progress in achieving these goals. To identify troop contributions to NATO's operations in Afghanistan and Kosovo, we analyzed publicly available NATO data that provided approximate figures of troop contributions by participating countries. We found these data to be sufficiently reliable for presenting the extent to which countries are contributing troops to these operations. To gather further information on how the PfP has changed since 2001, we also assessed findings in State's annual reports to Congress on PfP developments for years 2007 through 2009. We also used information gathered in our interviews with U.S., NATO, and PfP country officials to further identify ways that the PfP program has changed since 2001.

To describe options NATO is considering for the future of the PfP and other partnership programs under the new Strategic Concept, we reviewed and synthesized findings from several NATO analyses, conducted in 2009 and 2010, including the Group of Experts' final report, NATO's Multiple Futures Project Final Report, NATO Allied Command Transformation's report, *"Building the Alliance's New Strategic Concept,"* and the NATO Parliamentary Assembly's recommendations regarding the new Strategic Concept. We also reviewed summary reports from two NATO conferences held in 2010 discussing the future of NATO's partnership efforts. Additionally, we reviewed proposals by some PfP countries regarding how the Strategic Concept should address the issue of partnerships. To gain further information on considerations about NATO's Strategic Concept and options for NATO's partnerships, we reviewed academic articles, Congressional testimonies by NATO experts, speeches by key U.S. and NATO officials, and interviewed U.S., NATO, and PfP country officials during our visit to NATO Headquarters.

To analyze support to PfP countries through the U.S. WIF program, we discussed WIF-funded activities and program monitoring with DOD

officials at the Office of the Secretary of Defense, Defense Security Cooperation Agency (DSCA), EUCOM, and CENTCOM. We also discussed the WIF program with security assistance officers at U.S. embassies in Bosnia-Herzegovina, Georgia, and Kazakhstan.<sup>1</sup> In addition, we discussed the WIF program with an official from the Center for Civil-Military Relations at the Naval Postgraduate School in Monterey, California, which is responsible for managing the WIF-funded Defense Institution Building (DIB) program. We also reviewed DSCA guidance on the WIF program, and annual budget submissions and memos. In addition, to assess the extent of DOD's past evaluations of the WIF program, we reviewed the findings of two independent assessments of the WIF program completed in 2000 and 2001, a July 2005 audit of the WIF program by the DOD Inspector General, and our July 2001 report on the NATO PfP and WIF programs.<sup>2</sup>

To present information on WIF funding priorities and the distribution of funding among eligible countries, we analyzed WIF summary budget data for fiscal years 2006 through 2010 from DSCA. According to DOD, no reliable data showing the distribution of WIF budgets among eligible countries were available before fiscal year 2006. We also analyzed all approved activities in the fiscal year 2010 WIF budget to determine how WIF funding was distributed among eligible PfP countries and by type of activity. We focused on fiscal year 2010 budget data because, for fiscal years 2006 through 2009, DOD grouped a significant share of the WIF budget into a multiple country category. For example, in fiscal year 2009, the WIF budget allocated about \$11 million out of a total of about \$30 million in WIF funding to the multiple country category. The fiscal year 2010 WIF budget attributed more of the funding to specific countries and allocated only about \$2 million to the multiple country category. Consequently, country breakouts in the fiscal year 2010 budget are more meaningful than in previous years. We also analyzed data on canceled activities approved in the WIF budgets for fiscal years 2009 and 2010 from DSCA and corroborated this information through interviews or emails with officials from DSCA; combatant commands; and the U.S. posts in Bosnia, Georgia, and Kazakhstan.

---

<sup>1</sup>DOD and State use the term, "security assistance officer," to refer to personnel in all organizations, regardless of actual name or size, located within overseas U.S. missions and assigned responsibility for carrying out security assistance functions.

<sup>2</sup>[GAO-01-734](#).

To assess the reliability of DOD's WIF budget data, we interviewed DSCA officials about the data and reviewed all the approved activities in the WIF budgets for fiscal years 2009 and 2010. We also discussed WIF funding with security assistance officers at U.S. posts in Bosnia-Herzegovina, Georgia, and Kazakhstan to help verify the accuracy of DSCA budget data in these countries. We found the WIF budget data used in this report to be sufficiently reliable to present the distribution of the fiscal year 2010 WIF budget among eligible countries and specific types of activities, such as support for PfP countries' participation in military exercises and the DIB program.

We conducted this performance audit from November 2009 to September 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Description of DOD Components Responsible for Executing the WIF Program

Within DOD, multiple components implement the WIF program. The Office of the Secretary of Defense is responsible for the development, coordination, and oversight of policy and other activities related to the WIF program. DSCA manages the program and provides the funding to different implementing components that are responsible for executing the program. Table 3 describes these implementing components. The portion of WIF funding that supports PfP countries' participation in military exercises comes from WIF budget allocations to the relevant combatant commands. The combatant commands also use some of their WIF funding for military contact programs.

**Table 3: Descriptions of and Funding for WIF Implementing Components, Fiscal Year 2010**

Implementing component	Description	Fiscal year 2010 WIF budget allocation
CENTCOM	CENTCOM is one of six geographic combatant commands. CENTCOM, which is based in Tampa, Florida, is responsible for U.S. military relations with most of the countries in the Middle East, Central Asia, and Egypt.	\$7,998,605
EUCOM	EUCOM is a geographic combatant command. EUCOM, which is headquartered in Stuttgart, Germany, is responsible for U.S. military relations with NATO and countries in Europe, as well as Israel.	8,546,440
U.S. Joint Forces Command	U.S. Joint Forces Command, which is located in Norfolk, Virginia, provides mission-ready joint forces to the combatant commanders in support of current operations. The command also focuses on military transformation and assisting combatant commanders with executing their regional security cooperation programs.	2,728,531
DIB Program	DIB is intended to help PfP countries develop accountable, professional, and transparent defense establishments. The program is managed by the Center for Civil-Military Relations at the Naval Postgraduate School in Monterey, California.	7,798,996
Civil Military Emergency Preparedness Program	The Civil Military Emergency Preparedness Program is led by the U.S. Army under the direction of the U.S. Army Corps of Engineers to encourage civil-military and multinational cooperation with PfP countries to plan for protecting populations and reducing the consequences in the event of major disasters from any cause, including terrorism.	1,954,256
George C. Marshall Center	The George C. Marshall Center was established in Garmisch-Partenkirchen, Germany, in 1993. It is a jointly U.S.- and German-funded international security and defense studies institute that promotes dialogue and understanding among the nations of North America, Europe, Eurasia, and beyond. It holds a variety of defense related conferences in which PfP countries participate with the support of WIF funding.	1,321,050
PfP Information Management System	The PfP Information Management System provides communications and information systems capabilities that facilitate PfP countries' cooperation with NATO and the United States.	1,500,000
Regional Airspace Initiative	The Regional Airspace Initiative is designed to develop PfP countries' airspace management systems to be fully compatible and interoperable with European civilian airspace organizations and NATO.	479,000

---

**Appendix II: Description of DOD Components  
Responsible for Executing the WIF Program**

---

---

<b>Implementing component</b>	<b>Description</b>	<b>Fiscal year 2010 WIF budget allocation</b>
Management and Oversight		2,550,000
<b>Total</b>		<b>\$34,876,878</b>

---

Source: GAO presentation of State and DOD data.

Note: Total funding of \$34,876,878 allocated to implementing components exceeds the fiscal year 2010 WIF budget of \$29,789,000 to allow program implementers flexibility to reprogram funding when WIF-supported activities are cancelled.

# Appendix III: Other U.S. Security Cooperation Programs Supporting WIF and PfP Goals

Table 4 describes U.S. security cooperation programs that provide assistance related to the goals of the WIF program and NATO's PfP program. The relevant geographic combatant commands (COCOM) and security assistance officers based at U.S. posts in recipient countries play a key role in ensuring that the WIF program complements the other available sources of funding in support of U.S. security cooperation goals.<sup>1</sup>

**Table 4: Descriptions of U.S. Security Cooperation Programs that Provide Assistance Related to WIF and NATO PfP Programs**

Cooperation program	Description
Foreign Military Financing (FMF)	FMF provides grants and loans to foreign governments and international organizations for the acquisition of U.S. defense equipment, services, and training. FMF assists the militaries of friendly countries to promote bilateral, regional, and multilateral coalition efforts; improve military capabilities to contribute to international crisis response operations, including peacekeeping and humanitarian crises; contribute to the professionalism of military forces; enhance interoperability of military forces; maintain support for democratically elected governments; and support the U.S. industrial base by promoting the export of U.S. defense-related goods and services.
International Military Education and Training (IMET)	IMET provides training to military and related civilian personnel. IMET training exposes foreign students to U.S. military organizations and procedures and the manner in which military organizations function under civilian control. IMET aims to strengthen democratic and civilian control of foreign militaries, improve their understanding of U.S. military doctrine and operational procedures, and enhance interoperability. IMET facilitates the development of professional and personal relationships, which aim to provide U.S. access to foreign governments.
Cooperative Threat Reduction (CTR)	CTR is intended to prevent the proliferation of weapons of mass destruction and related materials, technologies, and expertise from former Soviet Union states. While the initial focus of the CTR program was on the most pressing nuclear proliferation threats, program funding has also been directed toward improving the physical protection, safety, and security of facilities that housed dangerous bio-agents. Activities include: familiarization visits, conferences, and seminars.
Traditional Combatant Commander Activities (TCA)	TCA provides funds to combatant commands to conduct military-to-military contacts and comparable activities with allied and friendly countries designed to encourage a democratic orientation of defense establishments and military forces. Some functions include traveling contact teams, military liaison teams, exchanges of military and civilian personnel, seminars, and conferences within the COCOM area of responsibility.
Section 1206	Section 1206 authorizes DOD to use its own funds to train and equip partner nations' national military and maritime forces to conduct counterterrorism operations or to participate in or support military or stability operations in which the U.S. armed forces participate. This program is also known as the Global Train and Equip Program.

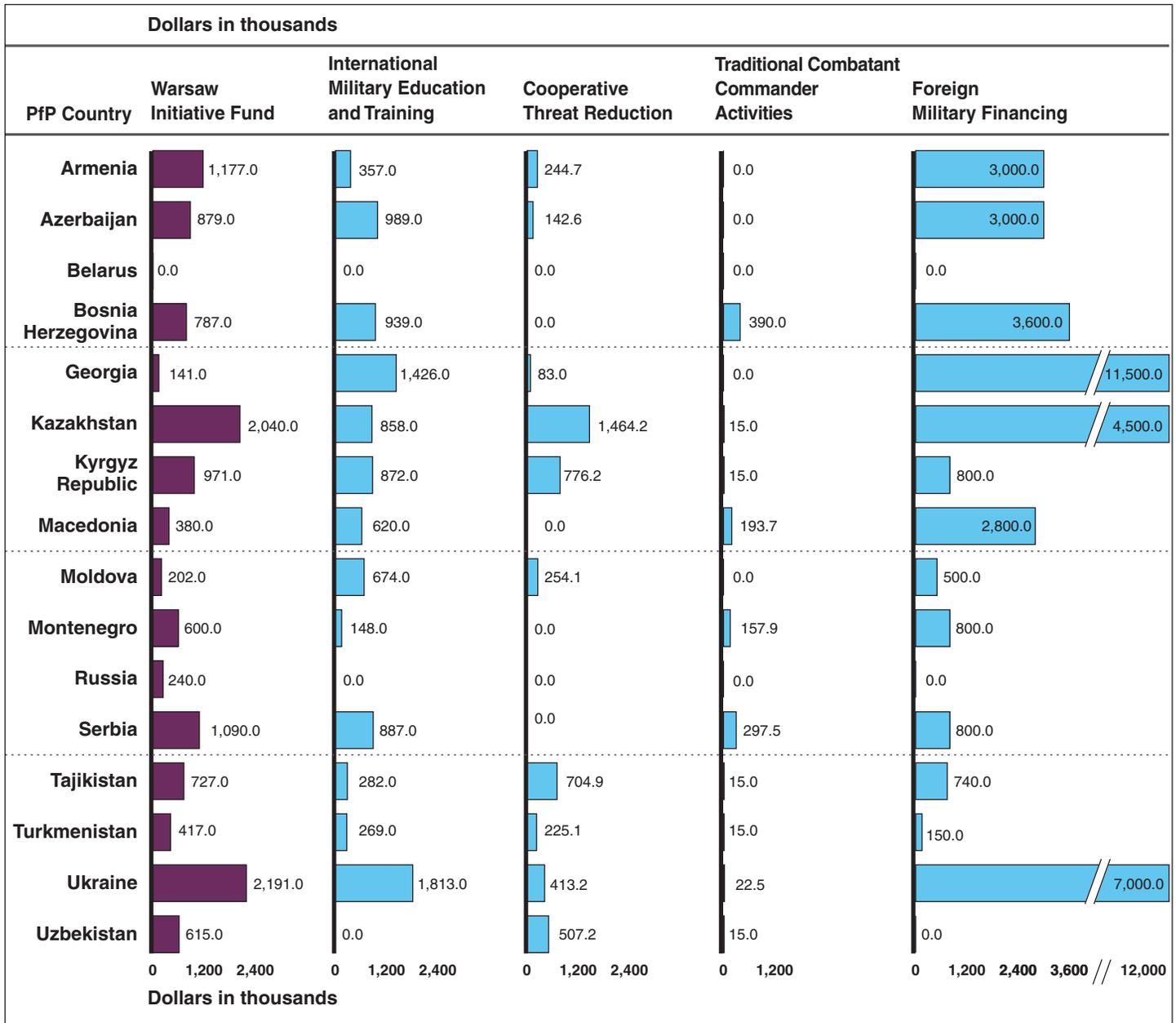
Source: DOD and State.

Figure 8 shows the level of funding of these programs and the WIF program to eligible PfP countries in fiscal year 2009.

<sup>1</sup>The PfP countries are located within the areas of responsibility of either EUCOM or CENTCOM.

**Appendix III: Other U.S. Security Cooperation  
Programs Supporting WIF and PfP Goals**

**Figure 8: Funding for PfP Countries from WIF and Related Security Cooperation Programs, Fiscal Year 2009**



Source: GAO analysis of DOD and State data.

Notes: 1) In addition to these programs, Kyrgyz Republic received \$9,572,000 in Section 1206 funding in fiscal year 2009. 2) Over \$11 million of the WIF budget in fiscal year 2009 was classified to a multiple country category, which reduced the WIF funds attributed to individual countries.

---

# Appendix IV: NATO Areas of Cooperation

---

PfP countries are able to select partnership activities and events in which they would like to participate from the EAPWP. The EAPWP lists activities and events offered by NATO, as well as by individual NATO members and other PfP countries. It is revised every 2 years. In the 2010-2011 EAPWP, there are over 1,200 activities sorted into 34 areas of cooperation. PfP countries determine the areas of cooperation on which they wish to focus and select relevant activities in each area. Table 5 lists these areas of cooperation.

---

**Table 5: Areas of Cooperation in the 2010-2011 EAPWP**

Arms Control, Disarmament and Nonproliferation
Air Defense
Armaments Cooperation, including planning, organization, and management of defense procurement
Airspace Management and Control
Border Security and Control
Consultation, Command and Control, including Communications and Information Systems, Navigation and Identification Systems, Spectrum Management, interoperability aspects, procedures, and terminology
Chemical, Biological, Radiological, and Nuclear Defense
Cyber Defense
Civil Emergency Planning and Disaster Preparedness
Crisis Management
Combating Trafficking in Human Beings
Democratic Control of Forces and Defense Structures
Defense Economic Issues
Deployability and Mobility
Defense Planning, Budgeting, and Resource Management
Defense Policy and Strategy
Planning, Organization, and Management of National Defense Research and Technology
Effective Engagement
Foreign Policy and Security
Gender Perspectives, Peace and Security, including the implementation of UNSCR 1325, UNSCR 1820, and related UN Security Council Resolutions
Humanitarian Mine Action and Related Explosive Remnants of War Activities
Effective Intelligence
Language Training
Law of Armed Conflict
Logistics and Logistics Sustainability
Medical Services
Public Diplomacy

---

---

**Appendix IV: NATO Areas of Cooperation**

---

---

Protective Security Systems and Inspections

---

Response to Terrorism

---

Survivability and Force Protection

---

Small Arms and Light Weapons

---

Science for Peace and Security

---

Operational, Materiel, and Administrative Aspects of Standardization

---

Timely Force Availability

---

Source: NATO.

# Appendix V: PfP Countries' PARP Partnership Goals

Eighteen PfP countries participate in PARP. Russia, Tajikistan, Turkmenistan, and Malta are the only four PfP countries that do not currently participate in the PARP process. PARP is modeled on NATO's own force planning system and allows interested PfP countries to work more closely with NATO to develop the interoperability of their forces and strengthen their defense institutions. Countries participating in PARP work with NATO to assess their defense capabilities, identify potential contributions to NATO exercises and operations, and select specific partnership goals for developing their defense capabilities and building interoperability. There are over 150 partnership goals that partners can choose from. There are general goals related to defense-wide issues, such as defense planning and budgeting, as well as goals specific to countries' land, maritime, and air forces. Table 6 shows the 14 partnership goals most commonly selected by partners in 2008.

**Table 6: PfP Countries' Most Frequently Selected Partnership Goals in 2008**

Partnership goal	Number of PfP countries selecting the goal
Land Operations and Training	18
Language Requirements	17
Chemical, Biological, Radiological, and Nuclear Weapons Protection	17
Combat Unit Contribution	17
Medical Support	16
Strategic Movement of National Forces	15
Mine Detection, Mine Clearing, and Explosive Ordinance Disposal Capabilities	15
Combined Joint Task Force Headquarters Augmentation	14
Logistics Liaison Personnel	14
National Support for Deployed Forces	14
Air Operations and Training	14
Combat Identification Devices and Combat Identification Training	13
Message System Upgrade	12
Combat Support Contribution	11

Source: GAO analysis of NATO data.

The 18 countries selected an average of 37 partnership goals in 2008. Ukraine selected the most goals with 96, while Kyrgyz Republic selected the least with 15. The types of goals selected by countries varied. For instance, Western European partners' goals for participation in the PfP

program focused primarily on improving military capabilities and interoperability with NATO. The European Union (EU) and NATO have committed to adhere to common standards in the development of their armed forces, so PfP countries that are also EU members are fulfilling EU requirements by developing interoperability with NATO. The Western European PfP countries already have developed civilian-run defense institutions and, therefore, do not generally pursue goals related to those issues. Countries from the Balkans and the former Soviet Union selected goals related to improving their military capabilities and interoperability with NATO as well. However, many of these countries also identified additional objectives related to defense institution building, including goals focusing on civilian control of the military, defense budgeting and planning, and effective personnel and resource management.

---

# Appendix VI: GAO Contact and Staff Acknowledgments

---

## GAO Contact

Joseph Christoff (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov)

---

## Staff Acknowledgments

Key contributors to this report include Judith McCloskey, Assistant Director; Ashley Alley; Debbie Chung; Howard Cott; David Dayton; David Dornisch; Etana Finkler; and Ryan Vaughan.

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site ([www.gao.gov](http://www.gao.gov)). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to [www.gao.gov](http://www.gao.gov) and select "E-mail Updates."

---

## Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)

E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Congressional Relations

Ralph Dawn, Managing Director, [dawnr@gao.gov](mailto:dawnr@gao.gov), (202) 512-4400  
U.S. Government Accountability Office, 441 G Street NW, Room 7125  
Washington, DC 20548

---

## Public Affairs

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, DC 20548

