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NATO DEFENCE PLANNING CAPABILITY REVIEW 2021/2022

THE NETHERLANDS

OVERVIEW

1. In October 2020, the Ministry of Defence (MOD) published the document 'Defence Vision 2035 – Fighting for a Safer Future'. This fulfilled a commitment made in the 2018 Defence White Paper to produce a plan that looked forward 15 years, subject to the decisions of successive governments. The Defence Vision sets out a high-level plan for the development of the Dutch Armed Forces, based on 10 design principles for the force of 2035, together with indicative costings for consideration by future governments. It is intended that the defence plans produced by successive governments should use the Defence Vision, and NATO Capability Targets, as their point of reference.

2. Following the formation of the new Government in January 2022, a defence White Paper was published in June 2022. This document sets out the plans for capability development and defence spending for the period 2022 – 2026, based on a substantial increase in defence expenditure totalling some € 14.8 billion, which the Netherlands expects to enable it to reach the NATO 2% of Gross Domestic Product (GDP) guideline in 2024 and 2025. These plans include a structural element which will increase defence expenditure from 2026 onwards, subject to the decisions of future governments.

3. The White Paper includes details of additional capability development in the short term. These plans cover areas such as integrated air and missile defence, as well as long-range precision strike capabilities, combat support (CS) and combat service support (CSS) for the land forces, as well as further F-35 combat aircraft. There will be additional spending on information-driven operations, and substantial investment in defence personnel. These plans should lead to a substantial uplift in the Netherlands' defence capabilities, and, following many years of severe underinvestment in defence, this increase should enable the Netherlands to start to address a number of the quantitative and qualitative shortfalls observed in previous Capability Reviews, as well as funding essential improvements to readiness and capabilities suited to high-end conflict. However, the Netherlands recognises that it will not have sufficient resources to reverse all of the effects of prolonged underspending, nor to meet all of its NATO Capability Targets. There will continue to be some serious shortfalls, with no plans to address them for the foreseeable future.

4. At the end of 2021, there were 40,791 full-time military personnel, supported by 17,318 civilian staff. The figure for military personnel includes 6,485 personnel of the military

police (Royal Marechaussee) who carry out a variety of roles on behalf of other ministries as well as their military police function. Recruiting and retention efforts are showing some success, with an updated personnel policy, including modernisation of employment conditions, and greater integration of regular and reserve forces. Further personnel increases are planned, with the aim of recruiting an additional 6,500 personnel in the period 2021 – 2026. The current shortage of personnel is most marked in the land forces, where the Netherlands is unable to provide sufficient combat battalions for its brigades, but there is no plan to increase the number of battalions as personnel numbers increase.

5. The modernisation of the reserve forces is making good progress. At the end of 2021, there were 6,571 trained reserves, and trained reserves provided an increasing proportion of the overall force structure, with plans for this to grow further, particularly in the land forces.

6. In 2019, the Netherlands' GDP increased by 1.91%, which was followed by a contraction of 3.81% in 2020, as a result of the restrictions imposed to prevent the spread of COVID-19. In 2021, GDP was projected to increase by 5.03%, and by 2.93% in 2022. The proportion of GDP devoted to defence increased from 1.17% in 2013 to an estimated 1.41% in 2020, and is projected to be 1.38% in 2021, 1.65% in 2022 and 1.71% in 2023. In 2024, it is expected to be 2.06%, which is above the NATO guideline of 2%. In 2020, expenditure on major equipment and associated research and development was 22.13% of total defence expenditure and is estimated to be 23.82% in 2021, 23.74% in 2022 and 27.01% in 2023. In 2024, it is expected to be 33.42%, which is well above the NATO guideline of 20%.

7. The Netherlands continues to contribute regularly to Alliance operations, missions and engagements outside its national territory. Overall, the Netherlands contributions are commensurate with the size of its armed forces and in comparison with other Allies. The Netherlands also continues to contribute regularly towards the enhanced Forward Presence and the NATO Response Force.

8. In 2021, Allied Defence Ministers identified capability priorities for the Netherlands. These were: a) the development of fully-capable heavy and medium infantry brigades with associated CS and CSS; b) the development of joint intelligence, surveillance and reconnaissance (JISR) capabilities; and c) the development of theatre-level enabling capabilities. Although there are plans that will enhance the capabilities, including aspects of the combat power, CS and CSS, of the infantry brigades, there are enduring significant qualitative shortfalls. The most serious of these is that several heavy and medium infantry battalions are not provided, and the lack of any Dutch-owned tanks. Despite the 2022 White Paper, the Netherlands indicates that it has no plans to address these critical shortfalls. Progress in the implementation of JISR targets in the short-term is satisfactory, with a requirement for unmanned aerial vehicles likely to be met two years early. The 2022 White Paper includes funded plans for some important JISR capabilities requested from the late 2020s, such as airborne signal collection. Previously, there were very significant shortfalls in the provision of theatre-level enabling capabilities, and there were no plans at all for some capabilities. The plans announced in June 2022 include several joint enabling capabilities, which may permit more of the relevant Capability Targets to be addressed.

9. Regarding the land forces, the level of implementation of NATO Capability Targets, both quantitative and qualitative, shows some progress. On the other hand, the Netherlands continues to be unable to provide all of the quantitative land contributions as sought by the NATO Capability Targets. The heavy infantry brigade, requested as High Readiness Forces 1 (HRF1), has structural shortfalls (one missing heavy infantry battalion and one tank battalion), the medium infantry brigade, requested as HRF3, also has structural shortfalls (two missing medium infantry battalions) and can only be provided as Forces of Lower Readiness (FLR). Neither brigade would have the requested firepower and necessary CS and CSS assets. The airmobile brigade could not be provided at requested readiness as a whole brigade. Furthermore, readiness requirements for all requested formations cannot be met due to understaffing, insufficient equipment, low levels of spares, and low stocks of battle decisive munitions (BDMs).

10. Reinforcement of land capabilities through investment in direct and indirect firepower is one of the main priorities for the land forces. Major planned, ongoing or recently completed modernisation projects for the army include: mid-life upgrade or replacement of all major land systems (armoured vehicles, artillery, air defence) over the short-term and medium-term, including the equipping of all CV90 platforms with twin Spike long-range anti-tank guided weapons (ATGW) (2023-2026); the procurement of active protection kits for 88 CV-90 tracked armoured fighting vehicles (2024-2026); the upgrade of all Gill medium range ATGW systems (completed in 2021); and the ongoing investment in CSS in general, including additional stocks of battle-decisive munitions. Regarding artillery, the Netherlands aims to procure two multiple-launch rocket system batteries by 2029, to reintroduce into service an additional ten howitzers by 2029, and to double the current numbers of 120 mm mortars. However, until the majority of shortfalls are addressed, including the provision of the missing combat battalions, the combat effectiveness and sustainability of the Netherlands' land forces, especially in any high-end, high readiness scenario, will continue to be seriously limited.

11. The navy can provide the maritime forces requested by the NATO Capability Targets in quantitative terms, with a number of readiness shortfalls and delays, including some gaps during the introduction of new vessels. In qualitative terms, the NATO Capability Targets are expected to be met, with the exception of some battle-decisive munitions (long-range surface-to-air missiles and heavyweight torpedoes), above-water warfare, anti-submarine warfare, and survivability and naval force protection. The navy is finding it hard to retain sailors, especially technical, logistics, and medical personnel. Consequently, staffing overall remains at 80% with only moderate improvement since the last Capability Report.

12. The navy continues to make steady progress in its considerable effort to modernise the fleet through its upkeep and life-extension programmes that include mid-life upgrades of the Walrus class submarines, the offshore patrol vessels, the amphibious ships, and a five-year service life extension of the air defence and command frigates. The navy's funded capability development priorities in the short term are: the introduction of a combat support vessel by 2025, the replacement of two auxiliary vessels by 2030; and the replacement of its minehunters with six next-generation vessels starting in 2025. The funded medium-term capability priorities include: the replacement of the M-class frigates in the period 2028-2030,

one year later than last reported; the replacement of the Walrus-class submarines, which is delayed until at least 2032; the introduction of the evolved Sea Sparrow Block 2 missiles on board the air defence and command frigates; and the replacement of the Goalkeeper and Harpoon weapon systems. Additionally, the Netherlands is encouraged to implement a BMD interceptor capability and mitigate the projected eight-year delay, so as to not contribute to a potential Alliance-wide shortfall.

13. The air force continues its modernisation path towards an effective, high-end and fully interoperable force. It has adapted its structure to be able to operate new and upgraded capabilities, including F-35 multirole combat aircraft, A-330 multirole tanker transport aircraft, MQ-9A unmanned aerial vehicles, modernised CH-47 heavy transport and AH-64 attack helicopters, and air surveillance radars. These modernisation programmes inevitably induce transition phases and consequently temporary shortfalls, which are affecting the readiness of some units. The readiness of some units also continues to be hampered by a lack of trained aircrews and other specialists, including air traffic controllers. This is a persistent issue.

14. The Netherlands is expected to meet most of its 2021 NATO aerospace Capability Targets, however with some shortfalls, some of which are significant. In the short term, the three Patriot batteries are not planned to be provided until 2025. The 2022 White Paper includes the acquisition of six additional F-35s and four MQ-9s (with a precision strike capability), a signal collection capability, air and missile defence systems, and long-range precision strike weapons, which should considerably improve the level to which the Netherlands meets its aerospace-related NATO Capability Targets. However, the current number of F-35s to be acquired remains insufficient to fully meet NATO readiness requirements. In the medium term, there are no funded plans at this stage to deliver some requested ISR capabilities, or additional air-to-air refueling.

15. In terms of special operations forces (SOF), the Netherlands is able to deliver its land and maritime SOF targets at the requested readiness and to a high quality. Following the 2022 White Paper, the Netherlands will establish a dedicated SOF aviation capability. The Netherlands has established, along with Belgium and Denmark, a multinational special operations component command (SOCC) headquarters which meets the qualitative requirements for a NATO-deployable SOCC for smaller joint operations. A shortfall in CSS means that the Netherlands can only support deployment of its special operations task groups to the same geographical area.

16. The Netherlands is able to meet many of its joint enabling NATO Capability Targets, in both quantitative and qualitative terms. However, there are important shortfalls in logistics, medical, strategic medical evacuation, in-theatre airlift, and theatre-level bridging capabilities. In addition, it is a continuing concern that many theatre-level capabilities cannot be provided simultaneously with the deployment of tactical-level combat units. Regarding the theatre-level enabling capabilities, there has been limited progress in some capability areas, in particular, cyber, communications and information systems, and chemical, biological radiological and nuclear defence. However, significant shortfalls remain in quantity, quality and readiness across all theatre-level enabling capabilities as measured against the requirements of the NATO Capability Targets. With respect to JISR capabilities,

there is good progress in the implementation of the quantitative and qualitative NATO Capability Targets due by 2028. However, the lack of plans and funding to acquire additional JISR capabilities which are requested by NATO from 2028 onwards remains a concern.

17. The Netherlands is fully implementing its stabilisation and reconstruction (S&R)-related NATO Capability Targets with four military training cadres, one police training cadre, and four teams capable of coordinating S&R support.

18. The Netherlands is largely resilient in terms of civil preparedness and meets all the seven resilience baseline requirements. The approval of a National Crisis Plan for the continuity of central government in August 2019 has contributed significantly to the high level of national resilience.

19. In sum, the Netherlands continues to provide advanced, deployable and interoperable forces to the Alliance, and many of its capabilities, particularly in the maritime and air domains, are suitable for high-end operations. Nevertheless, significant quantitative and qualitative shortfalls continue to limit the effectiveness of the Dutch Armed Forces. The increase in funding following the 2018 White Paper had a noticeable effect, with, for example, additional combat aircraft ordered and enhancements to land forces' firepower, but this only began to address the serious deficiencies. The significant further increases announced in the 2022 White Paper will continue, and maybe accelerate, this process. It is expected that some further shortfalls will be addressed, and investments made that will start to build the force envisaged in the Defence Vision 2035.

20. The Netherlands recognises the priority that should be given to the capability priorities identified by Allied Defence Ministers, namely, a) the development of fully-capable heavy and medium brigades with associated CS and CSS; b) the development of JISR capabilities; and, c) the development of theatre-level enabling capabilities. NATO and Dutch defence planning priorities remain, in practice, not particularly well aligned, largely because sufficient resources have not yet been applied to the NATO priorities, in particular, the heavy and medium brigades. Both brigades lack the required number of battalions, and there are no Dutch-owned tanks. Despite the extra funding announced in the 2022 White Paper, the Netherlands has specifically indicated that it has no plans to address these latter key shortfalls. It does, however, have some plans to improve other selected elements of the brigades. There is satisfactory progress in JISR capabilities in the short term, and the detailed plans resulting from the 2022 White Paper include some important JISR capabilities that have been requested from the late 2020s. Similarly, there are many joint enabling capabilities that have been requested in the next decade for which implementation plans do not yet exist.

21. If the armed forces are developed in line with the characteristics and design principles of the Defence Vision, the Netherlands would be well placed to implement the majority of its NATO Capability Targets and take on a fairer share of the overall defence burden. However, full, complete, and timely implementation of NATO Capability Targets, and the development of the advanced force that is envisaged, will require the planned increases in defence expenditure to be sustained well beyond 2025. If the requested

capabilities are not provided in full, then other Allies may need to provide an important portion of the Netherlands' fair share of the Alliance burden, especially in the land domain.

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