

The North Atlantic Treaty Organization's Future Role in Energy Security

by Thierry Legendre

Energy security is a broad and evolving concept. In the seventies, it was primarily linked to enhancing conservation and developing political strategies to secure guaranteed Western energy supplies in the Middle East. Today the term has widened to include risks such as underinvestment in infrastructure, which can lead to massive power outages, and poorly designed markets, as well as disruption to energy supplies due to natural disasters, accidents, and international terrorism. Unlike thirty years ago, there is a much greater number of suppliers and consumers in play on all five continents, whose interests must be balanced. The issue has become truly globalized.

With the North Atlantic Treaty Organization's (NATO) November 2006 summit in Riga behind us, there is no question as to whether or not energy security is a relevant topic for NATO. Indeed, during the Riga summit, the NATO heads of state all agreed that energy security was an issue of critical importance that NATO should address.

Energy security is not entirely new to NATO and the organization's agenda, however. In a more or less direct manner, the Alliance has regularly dealt with the issue. NATO's Strategic Concept from 1999,¹ which is the overall strategic document for NATO's activities, for example, speaks of the "...disruption of the flow of vital resources."² Furthermore, there are references to energy supplies in a number of internal NATO documents, such as the Comprehensive Political Guidance, as well. Member states have routinely exchanged intelligence and information on energy security, especially in the Economic Committee and within the International Military Staff. Military fuel supplies have been an integrated component in the Alliance's defense planning, and a number of related activities have been organized within NATO's Partnership framework, including with Russia (i.e. on surveillance and protection of energy infrastructures). Finally, activities related to energy security have also been taking place within fields like industrial planning, work on defense against terrorism, and civil emergency planning. It should be highlighted, however, that these activities have neither been a part of a consistent policy, nor have they constituted a coherent NATO approach to the issue of energy security.

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It is in the Riga Communiqué that the Alliance, for the first time in its history, is explicit about the issue of energy security. An internal debate among the members of the Alliance paved the way for this development, originally ignited by Russia's decision to cut off gas supplies to Ukraine and the subsequent effects on many European countries. While some countries contended that the Alliance had no role to play within the energy security field, arguing that it would undermine NATO's core business, others supported an active role for NATO in ensuring the security of energy supplies for the allies. The result was a limited, but significant, mandate.

A CRITICAL ENERGY SITUATION

NATO member states are facing many challenges and share common vulnerabilities that must be overcome. Certain countries in the world have a “disproportionate” role in supplying oil and gas to the global market. For instance, 56 percent of the world's gas reserves derive from three countries: Russia, Iran, and Qatar.³ As with many other energy-producing states, Russia and Iran are experiencing difficulties in increasing production, due to underinvestment and aging infrastructure. In contrast to many other areas of the economy, world oil and gas production and reserves are, to a very large extent, state-owned with often little incentive for increasing production. At the same time, both North America and Europe are becoming even more heavily dependent on imported energy. The European members of the Organisation for Economic Cooperation and Development (OECD), for instance, currently imports 44 percent of its natural gas; 50 percent of this figure comes from Russia alone.⁴ Partly as a result of the regional aspects of the gas market, as opposed to the global oil market, the shift in consumption from oil to natural gas will increase the dependency of certain states—not least in Europe. As a general trend, the current members of the Alliance, with a few exceptions, will find themselves more heavily dependent on energy-producing countries, especially as production falls in the West and demand dramatically increases in the East—particularly in India and China. Not surprisingly, the current tightness in the market has reignited the debate over alternative energy sources, such as biofuels, wind and solar power, clean coal, and even nuclear power. However, experts agree that these alternative approaches can only attenuate the consequences of changing fossil fuel markets.

Other vulnerabilities are directly linked to the lines of communication and transportation. More oil and gas is either being transported over long distances through continental, and even intercontinental, pipeline systems, or increasingly carried in tankers over vast oceans. Production of Liquefied Natural Gas (LNG) will grow further and will be transported on supertankers over long distances as well. With 40 percent of global oil supplies produced in the Middle East,⁵ transit through the Strait of Hormuz and the Persian Gulf represents a substantial choke point. The Hormuz Strait, as well as other choke points, is not only vulnerable to international terrorism, but also to disruption by piracy or belligerent states. Furthermore, terrorists could attack infrastructure bottlenecks such as refineries, loading terminals,

or offshore platforms, as well as pumping and pipeline infrastructure in member and partner territories. Finally, the potential for international conflict as a result of regional political upheavals, as well as for increased instability in oil and gas producing countries, also threaten energy security.

WHY IS NATO INTERESTED?

NATO's explicit interest in energy security cannot simply be explained by the threats of natural disasters or terrorist attacks, which have existed for quite some time, nor by changing market trends and today's arguably critical energy situation. Energy crises have occurred before (e.g. oil crises in 1973 and in 1979) and yet, they did not provoke a NATO reaction. Therefore, the explanation for NATO's explicit interest in energy security may be found within the Alliance and its immediate political environment.

Three fundamental reasons for NATO's strengthened concern over, and relevance to, energy security can be identified. First, since the Cold War's end, NATO has expanded to include a number of new Central and Eastern European members, which do not necessarily share the same security concerns as the Alliance's "old members." These new members arguably possess different threat perceptions because of their histories, infrastructures, geopolitical neighborhoods, and economic structures. Additionally, their dependency on imports, particularly Russian gas, is often greater than that of the Alliance's "Western" members. Hence, energy security has become a substantial component in their respective foreign and security policies and some of these "new" members, in fact, have supported the proposal for an energy solidarity clause among the allies. This idea has actually been backed by some officials within older member states, including United States Senator Richard Lugar. However, such approaches do not necessarily add value, as they can imply a confrontational discourse where the need, historically speaking, is engagement, i.e. with Russia and the Middle East. Nonetheless, the concerns raised by these nations are both real and legitimate, and should be seriously addressed within the Alliance.

Second, NATO has developed various partnerships with Russia, Ukraine, South Caucasus, Central Asia, North Africa, the Middle East, and the Gulf. In addition, NATO is developing closer relations with more distant countries, such as South Korea, Japan, Australia, and New Zealand (these latter countries are named Contact Countries). Such widening and deepening of relationships means that, with a few exceptions in Africa and Latin America, NATO has increasingly connected, or linked, itself to a number of the globe's energy providers, transit countries, and critical costumers.

Third, NATO has gradually become a security provider in a broader sense. Since the end of the Cold War, the organization has moved towards a broad and comprehensive Strategic Concept, where identified threats are more diverse and multidimensional than in the past. NATO is continuously transforming itself, striving to adapt to the world's changing security environment. In a tight market characterized by heavy reliance on oil and gas, disruptions to energy supplies have

naturally become a concern for the Alliance. From technical accidents to natural disasters, terrorist attacks, and the outbreak of war, the potential for energy supplies to be disrupted is certainly high.

The conjunction of these three elements—a strategic environment that places energy at the core of both international and national security, partnerships with key energy actors, and the new strategic landscape of the Alliance—explain why energy security has become a relevant issue for NATO.

NATO'S POTENTIAL ROLE

Responding to market-linked economic challenges, political friction, and military threats to energy supplies requires a broad combination of robust and multifaceted policies, which embrace all key global players. Market-related and geostrategic changes call for integrated and comprehensive strategies. NATO is not entirely in command of its own destiny in this environment. Nonetheless, the Alliance must defend its vital strategic interests.

This brings us to NATO's potential role in energy security. The Riga Summit Declaration describes the agenda for energy security efforts before the next summit in 2008:

As underscored in NATO's Strategic Concept, Alliance security interests can be affected by the disruption of the flow of vital resources. We support a coordinated, international effort to assess risks to energy infrastructures and promote energy infrastructure security. With this in mind, we direct the Council in Permanent Session to consult on the most immediate risks in the field of energy security, in order to define these areas where NATO may add value to safeguard the security interests of the Allies and, upon request, assist national and international efforts.⁶

Two words in the excerpt above are important: *disruption* and *infrastructure*. The Alliance recognizes that its security interests can be affected by the interruption of the flow of energy resources. This was previously stipulated in the Strategic Concept. In addition, governments support a coordinated, international effort to assess risks to energy infrastructures and to promote energy infrastructure security. The term, *add value*, is also important, meaning that NATO should avoid duplicating the actions of other actors in the international system.

Overall, the excerpt's wording indicates that NATO's future work should have a particular focus on energy infrastructures. There is no mandate, at present, to deal with the broad array of energy security issues that exist. Although a specific focus on infrastructure narrows the spectrum of energy-related issues for NATO, the scope in which energy matters can affect security is quite large. In order to determine how the Alliance can "add value," a logical point of departure is to identify the organization's present capabilities and existing operational experiences that could be used in future efforts to secure the free flow of energy resources.

Four areas in particular should be considered in the future work of the Alliance. The first is political dialogue, which would include the monitoring and assessment of energy security. NATO could establish a permanent monitoring and assessment

mechanism that would involve regional consultations with allies and partners, based on joint political, military, and intelligence reports. Some of this work might be done by the internal NATO Task Force on Energy Security—a working group established after the Riga Summit. This task force could prepare the reporting and risk assessment for the North Atlantic Council, NATO's highest decision making organ. Furthermore, it could include external experts such as the International Energy Agency (IEA), as well as major energy companies. Closer coordination with other international organizations such as the United Nations and the European Union should also be established. Overall, the Riga tasking is quite clear in its support of such internationally coordinated approaches.

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In addition, the alliance's partner countries should also be involved. Many existing partner countries are either important suppliers of oil and gas or important transit countries. Russia, for example, is an important energy supplier, and the topic of energy security could, rather logically, be placed on the meeting agenda for the NATO Russia Council (NRC). Energy security is also an obvious topic for enhancing Euro-Atlantic Partnership Council consultations, which involve all twenty-six member states and twenty Partnership for Peace countries. Furthermore, as many of the partners within the Istanbul Cooperation Initiative (ICI) and the Mediterranean Dialogue are among the world's leading suppliers of oil, it would make sense to establish consultation mechanisms with these states as well. NATO's partners should, in general, be integrated as much as possible in NATO's work on energy security and, aside from consultations, they should be invited to participate in training, exercises, and civil emergency rescue missions. At the same time, NATO should avoid creating the impression that it is developing a "fortress" around Russia, the Middle East, and transit countries. Building trust and confidence is truly the key to success in securing energy.

Second, NATO should consider providing a security assistance package to one or more allies, or even conducting military operations to secure vulnerable energy infrastructures during a time of need. Such packages could be tailored specifically to the ally in question, and could consist of: reinforcement of maritime and aerial patrols, national communication and intelligence networks, and assistance in disaster response, including the protection, relief, and management of resulting consequences. Various assistance missions, such as NATO's support in providing security during the 2004 Olympic games in Athens, could be applied as models. The command and control arrangements NATO provided through its defensive contingency support to Turkey, in connection with "Operation Display Deterrence" in February 2003, is another source of inspiration.

Third, NATO's involvement in maritime surveillance and the development of maritime situational awareness should be considered. States retain ultimate responsibility for protecting their own territorial waters, but maritime lanes of communication and transit are more vague, and thus need to be addressed. Regarding the success of the ongoing "Operation Active Endeavour"—a counterterrorist operation designed to increase maritime security in the Mediterranean post-9/11—this looks increasingly like an area in which NATO could develop a capability. A multinational maritime task force, involving partners where appropriate, could be created to deter attacks on oil or LNG (Liquefied Natural Gas) tankers. Although in practice it is impossible to protect entire oceans, NATO could focus its efforts on certain critical choke points. Such operations could be launched when faced with a high or increased level of threat and would require an intelligence and threat-based approach, as well as a quick response capability.

Finally, NATO could be engaged in interdiction operations as part of its energy security measures. These types of operations are designed to secure supplies. Multinational and multiservice in nature, a NATO role would necessitate an impressive amount of operational planning. Interdiction operations would have to be carried out involving air, maritime, and ground elements. An example of such operations is "Operation Earnest Will," which was carried out by the US during the Iran-Iraq war in 1987–1988 in order to protect Kuwaiti oil tankers. A NATO maritime interdiction operation could involve short-term escort operations and the protection of critical infrastructure, such as rigs and terminals.

THE FUTURE WORK

To flesh out a few areas for further investigation is not the same as implying that the Alliance should carry out all of the suggestions outlined here. Instead, it implies that the Alliance should consider a number of areas where it can truly make a contribution to elements of security and that, consequently, concepts and plans are developed accordingly. It is the core business of NATO, and for most security and defense institutions, to craft plans in order to encounter new challenges, new risks, and new threats. If the twenty-six Allies agree to go further and "above" existing capabilities in order to secure the flow of energy supplies, this would, of course, have consequences for the planning, and maybe even for the doctrinal complex, of the Alliance. This would, quite logically, raise the question of resources—as securing energy flows would imply the acquisition of new capabilities.

However, the lack of resources cannot be used as a definitive argument against the role of NATO in energy security. First, this would be an argument of bureaucracy. Few organizations wait for money, or the guarantee of funds, before defining its tasks. Most would define tasks first, prioritize goals, and then allocate adequate resources. Hence, if the twenty-six Allies agree that energy security is a significant challenge of high priority that should be addressed, the necessary resources would be sought.

Above all, it must first be seen that NATO can add value to the field of energy security. A coherent approach to energy security must also be a political one. NATO's strategy must be careful to avoid duplicating the efforts of other international organizations, as well as national efforts. The Alliance's role in energy security must involve the development of relationships with other organizations and partners interested in the issue. For instance, although the EU is developing a strategy based on diversification of suppliers and sources, as well as promoting its internal market, it might also want to be active in protecting critical infrastructure. NATO and the EU will clearly have to create an interface for their future work on energy security, and identify each other's respective actions in order to avoid the duplication of efforts and capabilities. However, both institutions would benefit even further by going beyond the avoidance of duplication toward an ambitious, comprehensive EU policy that would strive to integrate a NATO contribution to energy security.

The mandate for the Alliance's further work is clear: "*to define these areas where NATO may add value to safeguarding the security interest of the Allies and, upon request, assist national and international efforts.*"⁷ Hence, there is a need to tie the different strands of work together into an overarching political-military concept on energy security. There is no such NATO mandate to definitively map the world at this point, but the four potential roles described above could form the core of an effective political-military approach for the promotion of energy security, as mandated in Riga last year.

NOTES

¹ The 1999 Strategic Concept remains the principal formal statement of the Alliance's objectives and of the various political and military means that constitute its strategy for achieving them. It provides the conceptual context for decisions subsequently taken by the member countries in response to new challenges, such as terrorism, and in the continuing process of adaptation and transformation of the Alliance required to enable it to undertake its full range of commitments and responsibilities. See: "The Transformation of the Alliance: The Strategic Concept of the Alliance," NATO Handbook, (Brussels: NATO Office of Information and Press, 2001). Available at: <<http://www.nato.int/docu/handbook/2001/hb0203.htm>> (accessed June 5, 2007).

² NATO Strategic Concept of 1999, Para 24

³ *World Energy Outlook 2006*, International Energy Agency, 114

⁴ *Ibid.*, 118–119

⁵ *Ibid.*, Chap 3

⁶ "Riga Summit Declaration," Issued by the heads of state and government participating in the meeting of the North Atlantic Council in Riga on November 29, 2006. Available at:

<<http://www.nato.int/docu/pr/2006/pr06-150e.htm>> (accessed June 6, 2007).

⁷ *Ibid.*

