

Thank you, Chairman (Marco Antonio Costa), for that introduction. And thank you to the National Defence Committee of the Portuguese Parliament for organizing today's conference.

Let me say what a pleasure it is to be back in Lisbon – not least because this happens to be the only NATO capital from which I can look out across the ocean with a direct line of sight toward my hometown of Boston.

For me, that's symbolic of our close transatlantic bond and of Portugal's unique and long-standing contribution to that bond over many decades.

Your contribution continues today through Portugal's membership of the North Atlantic Alliance and its participation in NATO operations.

Portuguese soldiers have served under the NATO flag in Afghanistan as part of the ISAF and Resolute Support missions. Last year, Portuguese sailors led NATO's Standing Maritime Group. As I speak, Portuguese F-16 pilots are deployed as part of NATO's Baltic Air Policing mission, helping to keep our borders secure and our citizens safe.

The Portuguese delegation at NATO headquarters in Brussels is playing an important role too. And I want to thank Ambassador Luis de Almeida Sampaio and his team for helping the Alliance address the challenges we face to the South, especially the maritime dimension of those challenges.

The truth is that we all need to do everything we can to understand, and respond to, the changing world we live in. That is NATO's day-to-day business. It is the objective of the upcoming Summit in Warsaw. And it is what I intend to explore here today.

Ladies and Gentlemen,

NATO has helped to keep the peace in Europe for almost seven decades. Our values of democracy, liberty, human rights and the rule of law have become Europe's common values. Our achievements, in parallel with those of the European Union, are arguably unprecedented in history.

But there is a great deal more to do. The challenges we face – including a more assertive and unpredictable Russia, and an arc of instability across the Middle East and North Africa – are daunting. Combined with international terrorism, missile proliferation and the threat of cyber-attacks, they add up to a grave and unpredictable security environment – the most challenging situation NATO has faced since the height of the Cold War.

The Alliance, of course, is alert to these evolving challenges and we are adapting with urgency. In the first instance, we are doing everything we can to secure our collective defence. That was the impulse behind the Readiness Action Plan, agreed by our leaders at the Wales Summit two years ago as our immediate response to the new security environment.

As part of the RAP, as we call it, we have tripled the size of the NATO Response Force to more than 40,000 troops. We have established a rapid-reaction Spearhead Force within the NRF, capable of moving within 48 hours. We have created a series of small headquarters in the East of the Alliance to aid with planning, logistics and, should they be required, reinforcements. We have prepositioned more supplies and equipment. And we have cleared bureaucratic and legal hurdles so that our troops can move swiftly through Allied territory and across Allied borders.

These measures provide a solid foundation for a stronger defence and deterrence posture. But we now know that even more far-reaching measures are needed, since the challenges we face from the East and the South will be with us for a long time.

That's why, in February, our Defence Ministers approved the idea of an "enhanced forward presence" in the eastern part of our Alliance. Last week, Ministers agreed that this enhanced presence should comprise, on a rotational basis, four multinational battalions in the three Baltic States and Poland. This sends a strong signal that an attack against any NATO ally will be considered an attack against all.

I expect the exact details of the deployment of those battalions – the "who" and the "where" – to be decided in Warsaw two weeks from now.

Of course, none of these measures would have been necessary were it not for Russia's illegal annexation of Crimea and ongoing aggression in eastern Ukraine.

A clear illustration of how dramatically things have changed is to look back at the NATO Summit held here in Lisbon in 2010 – a summit attended by Russian President Dmitry Medvedev, at which Russia agreed to cooperate with NATO on Ballistic Missile Defence. And a summit following which, in the official communiqué, Allies declared that "in the light of common security interests, we are determined to build a lasting and inclusive peace, together with Russia, in the Euro-Atlantic Area". Four years later Russia illegally annexed Crimea.

The Alliance still believes in working with Russia to build a lasting peace in Europe. But, in truth, we are a very long way from that goal. And the reason is simple: Moscow's actions represent grave violations of international law. They have undermined the post-war European security order which Russia itself helped to create – starting with the UN Charter and the Helsinki Final Act.

Russia has made it very clear that it wants to go back to a divided Europe based on spheres of influence and the domination of its neighbours, rather than respect for the sovereignty and territorial integrity of all other European states.

Russia has also used tactics such as subversion and cyber attacks to probe NATO's readiness, and it has shown a reckless willingness to ramp up its nuclear rhetoric and posture. All of this is justified by a carefully crafted, but false narrative that claims NATO's objective is to weaken Russia.

In response to these escalatory and irresponsible steps, NATO has been very clear. We do not seek confrontation with Russia. We do not seek a new Cold War. And we do not seek an arms race.

The two-track strategy we have adopted is one of defence and dialogue. We will not be intimidated – nor neglect our responsibility to defend our citizens and our territory. But neither will we shut down channels of communication. We will persist in our efforts to engage Russia in meaningful dialogue – in order to communicate our resolve, explain our actions, and minimize the risk of an accident or misunderstanding leading to dangerous escalation. In this regard, I am hopeful that we will hold another meeting of the NATO-Russia Council in the next few weeks.

We will also use those channels to explain that, while partnership remains our long-term goal, there cannot be any return to “business as usual” until Russia comes back into compliance with international law. That means ending its occupation of Crimea, ending its direct military support for the illegal insurgency in Eastern Ukraine, and fully implementing the Minsk agreements.

When it comes to defence and deterrence, Russia looms large on NATO’s agenda. But, of course, threats can come from any direction. And, as an Alliance, we must maintain an all-round, 360-degree perspective.

That includes our approach to the maritime domain, on which Portugal has been very influential.

NATO’s maritime capabilities are essential. They are a key element in our ability to deter aggression, and they are integral to our ability, for example, to offer assurance measures to Allies and Partners and to develop situational understanding and awareness.

The Alliance must also maintain the ability to preserve and protect freedom of navigation – including the crucial sea lanes in the Atlantic Ocean and the Mediterranean Sea. That has been the objective, of course, behind NATO’s anti-piracy mission off the coast of Somalia, in which Portugal has played an important part.

There is still work to be done, for instance, to ensure proper resourcing of the maritime component of the NATO Spearhead force. But we are refining our presence in the Baltic Sea and the Black Sea, and exploring a greater maritime role for NATO in the Mediterranean Sea – including in support of the European Union’s Operation Sophia.

For all those reasons – and thanks in part to your country’s strong advocacy – maritime security remains high on NATO’s agenda, and will receive the attention it deserves at the upcoming Summit.

That is important not just because it enhances our defence and deterrence, but because it helps us to project stability in our neighbourhood, the second major theme of the Warsaw Summit.

In 2010, even before the start of the Arab Spring and the Syrian civil war, the Lisbon Summit communiqué described how “instability or conflict beyond NATO borders can directly threaten Alliance security, including by fostering extremism, terrorism and transnational illegal activities such as trafficking in arms, narcotics and people.”

Today, we know that to be truer than ever. The situation in the Middle East and North Africa is a strategic concern we cannot ignore: states at risk of failure; ungoverned

spaces where terrorist groups are free to go about their bloody business; the greatest refugee and migrant crisis since the Second World War.

At the same time, we must do everything we can to bring stability to our Eastern flank – assisting partners like Ukraine, Georgia and Moldova with reform and capacity building.

NATO's security depends on having a stable neighbourhood. In fact, defending our borders is as much about projecting stability beyond those borders. They're two sides of the same coin.

Of course, projecting stability is something NATO has been doing for many years. It began with the Partnership for Peace in the 1990s, as we helped our Central and East European neighbours reform their security sectors and transform their armed forces – enabling 12 of them (soon 13, with the entry of Montenegro) to become NATO members.

Through our experiences in Afghanistan and Kosovo we have acquired enormous expertise in fighting terrorism and stabilizing post-conflict situations. And we continue to apply that experience where we can. In particular, we are applying what we've learned from our many different Middle Eastern partnership initiatives over the years, such as our Mediterranean Dialogue programme involving Algeria, Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia, and the Istanbul Cooperation Initiative in which Bahrain, Kuwait, Qatar and the UAE participate.

Importantly, our work in this area is governed by a number of key principles. What we do is part of our all-round, 360-degree approach to security. It seeks to complement and not duplicate efforts being made by others, including international organizations like the UN and the EU. It's part of a sustainable, long-term approach – and makes efficient and appropriate use of resources. In essence, we seek to make the most of the tools at NATO's disposal while taking care not to overstretch or overreach.

We are already training Iraqi officers in Jordan and, following a request from Prime Minister Al-Abadi, we are considering whether to expand that training programme into Iraq itself, where we had a large NATO Training Mission up until 2011. . That decision will be taken at the Summit.

We are helping Tunisia on counter-terrorism, special operations training and border security. We are supporting Jordan on cyber defence and training to counter Improvised Explosive Devices, or IEDs. We are also, for example, considering how the Alliance can provide direct support to the Coalition, including the potential use of NATO AWACS surveillance planes. And we stand ready to support the Libyan Government of National Accord with building its defence institutions, if requested.

There is also an opportunity here to support the development of our partners' maritime capabilities – something Portugal has championed. Our support can enhance partners' maritime interdiction operations, their counter-terrorism efforts, and their ability to provide humanitarian assistance. It would also improve our own situational awareness, for instance, in the Southern Mediterranean.

So NATO is already doing a great deal to project stability. But as we look toward the Warsaw Summit and beyond, I believe we can and we must do more. Our security – and our credibility – require it.

A third key objective of the Warsaw Summit will be to expand cooperation between NATO and the European Union. Ties between the two organizations are becoming stronger and stronger. And I expect EU leaders and the NATO Secretary-General to make a joint statement on the margins of the Summit in Warsaw calling for those bonds to be tightened further. Our common security demands greater cooperation in areas such as countering hybrid threats, cyber defence and maritime security.

The final issue I want to address today is the importance of making the necessary investments to keep our Alliance strong. If NATO is to do its job – if we are to achieve all that we know we can – then we cannot afford to be complacent. We need the right levels of funding and the right equipment.

At our last Summit in Wales, all Allies committed to halting the cuts in defence spending and gradually increasing it to 2% of GDP within a decade. Two years on, that pledge remains essential to the long-term health of our Alliance and the security it provides.

In the case of Portugal, defence spending last year was 1.33% of GDP – a 3.6% increase over 2014. That upward trend is encouraging but it is crucial that it be maintained. Those five Allies who already meet the 2% guideline are understandably vocal about others doing the same.

Nor it is not just about spending more. We have to spend better. We must ensure we have the modern equipment we need. 8.7% of Portugal's defence spending last year was on major equipment. The NATO guideline is 20%.

And Allies must identify and remedy shortfalls in their capabilities. In Portugal's case, for instance, I encourage you to look hard at how you can expand training for aircrews, better retain skilled pilots, develop more high-readiness forces, and ensure that forces have the necessary stores, spares and ammunition.

Ladies and Gentlemen,

Back in 2010, the Lisbon Summit declaration spoke of the need for NATO to “remain an essential source of stability in an uncertain and unpredictable world”.

That imperative is as strong today as ever.

We face the most complex and challenging security environment since the end of the Cold War. But, together, the Alliance is responding: strengthening our collective defence and deterrence, and projecting stability in our neighbourhood.

Two weeks from now, we will take the decisions which will guide our future direction.

With Portugal at the table, I have every confidence that we will get those decisions right, and ensure that NATO remains the “essential source of stability” that we all need it to be.

Thank you for listening. I look forward to your questions.