# NATIONAL DEFENCE DEVELOPMENT PLAN 2013-2022

## Resources projected in the previous development plan and the reality

1. The previous 10-year development plan approved in 2009 (Military Defence Development Plan for 2009-2018) projected that 5.456 billion euros would be available for military spending in the time period 2009-2018. This was based in turn on the forecast for an average 8.6 per cent economic growth per year and that the percentage of the defence budget would rise to 2 per cent of GDP by 2010.

2. Due to the economic crisis, the defence budget was cut by 17 per cent in 2009. The increase of the defence budget to 2 per cent to GDP was postponed and the economic forecast was reduced on several occasions.

3. In timeframe 2009-2012, a total of 1.126 billion euros was available for defence spending, and, in accordance with the Ministry of Finance's spring 2012 forecast – on condition that the defence spending would remain at 2 per cent of GDP – a total of 2.539 billion euros is available in the years 2013-2018. Thus the actual and forecasted defence expenditures for 2009-2018 total 3.665 billion euros, which is about 33 per cent of the amount planned in the Military Defence Development Plan (MDDP) for 2009-2018.

TABLE – MDDP projected resource comparison: the actuality for 2009-2012 and 2013-2018 vs the current forecast in current prices

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| MDDP 2009-2018 | 308.76 | 395.49 | 432.30 | 471.41 | 518.55 | 567.82 | 616.08 | 665.37 | 715.27 | 765.34 |
| The actuality and the updated forecast | 256.02 | 248.86 | 279.95 | 340.88 | 361.36 | 384.16 | 408.92 | 435.33 | 462.04 | 487.64 |

## Size of the defence budget

4. The planning assumption for determining the defence budget was that the level of defence spending in 2013-2022 will remain at two per cent of GDP. Economic growth was assumed to be in accordance with the summer 2012 economic forecast from the Ministry of Finance for 2013-2016. The basis for economic growth with regard to 2017-2022 is the GDP growth forecast composed by the Ministry of Finance and sent to the Ministry of Defence.

5. To make it possible to use more accurate source data in planning, the projected defence budget amounts were converted into 2011 prices – 2011 being the most recent full year available for planning considerations. The table below reflects the defence budget in 2011 inflation-adjusted prices in the period 2013-2022.

TABLE – Amount of defence expenditures

| | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
|---|---|---|---|---|---|---|---|---|---|---|
| GDP nominal growth | 6.4% | 6.3% | 6.4% | 6.5% | 6.1% | 5.5% | 5.4% | 5.4% | 5.3% | 5.3% |
| GDP real growth | 3.02% | 3.41% | 3.49% | 3.59% | 3.29% | 2.75% | 2.66% | 2.67% | 2.59% | 2.62% |
| Purchasing power decrease coefficient | 92.7% | 90.1% | 87.6% | 85.2% | 82.8% | 80.6% | 78.4% | 76.3% | 74.3% | 72.4% |
| Defence spending as a % of GDP | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Defence expenditures (current prices) thousands of € | 361,359 | 384,156 | 408,924 | 435,329 | 462,037 | 487,641 | 514,048 | 541,805 | 570,488 | 600,705 |
| **Defence expenditures (2011 prices) thousands of €** | **335,112** | **346,278** | **358,282** | **370,738** | **382,643** | **392,876** | **403,034** | **413,512** | **423,938** | **434,728** |

## Summary of the National Defence Development Plan 2013-2022

6. The National Peacetime Defence Act defines as basic national defence documents the National Security Concept of Estonia, the National Defence Strategy, National Defence Development Plan, Military Defence Action Plan and the Operational Defence Plan.

7. The National Defence Development Plan specifies, on the basis of the national defence strategy, the priorities and capability requirements and long-term development programmes for strengthening defensive capabilities and general resource limitations on development. The National Defence Development Plan is approved by the Government of the Republic at the proposal of the Minister of Defence for a ten-year period and shall be reviewed once every four years.

8. This National Defence Development Plan covers the period 2013 - 2022 and replaces the MDDP for 2009-2018. The development objectives set forth in the document shall be specified annually in medium to long range development plans and the national budgetary strategy.

9. The fundamental principle behind the National Defence Development Plan is to develop and sustain high-readiness units.

10. With regard to land operations, the main focus during the development plan's planning period is on establishing high-readiness infantry brigades, developing armoured manoeuvre capability and upgrading anti-tank capability.

a. The 1st infantry brigade shall be completely equipped and armed. The professional *Scouts*battallion within the brigade will receive modern infantry fighting vehicles; the rest of the brigade's manoeuvre battalions will be equipped with armoured personnel carriers.

b. By 2022, the 2nd infantry brigade shall achieve it´s full operational capability, which will significantly increase the Defence Forces' engage(ment) and rapid-response capability.

c. The Defence Forces' anti-tank capability will be enhanced significantly thanks to procurement of the most modern anti-tank missile systems for both brigades.

d. To ensure mobile in-direct fire support capability, 155mm self-propelled howitzers shall be introduced into service.

e. In addition to the above, the development plan also acknowledges the need for heavy armoured manoeuvre capability – tanks – and medium-range air-defence capability. Due to resource limitations, it will be possible to start developing these capabilities by 2022, but not achieve the fully operational capability. The decision with regard to developing heavy armoured manoeuvre capability and medium-range air-defence capability will be made during the time of the preparation of the next national defence development plan in 2016.

11. The security "carpet" covering all of Estonia – the result of territorial defence[1] – will become even a greater priority and a specific instance will be assigned responsibility for territorial defence – the Defence League. This will be the primary military function for the Defence League.

a. The military command of territorial defence (the 15 Defence League districts) in even the most complicated situations will take place through the five territorial

[1] In the Estonian version of the document, both territoriaalkaitse and maakaitse are considered to be synonyms for territorial defence.

defence districts, which will become activated in times of crisis and in the event of war.

b. The units belonging to the territorial defence structure shall be equipped and completely armed.

c. The voluntariness in national defence shall be supported and the goal is to increase the ranks of the Defence League from the current 22,250 to 30,000 in ten years.

12. With regard to air operations, the development plan foresees an increase of Estonia's air surveillance and defence capability and development of Ämari air base. The Air Force will be completely integrated with NATO's air and missile defence system and will provide uninterrupted surveillance information for Estonia and all of NATO.

a. Additional medium range air surveillance radars shall be procured for the air force and the existing ones shall be modernized.

b. The Air Force command and notification centre shall be developed. It shall be capable of commanding air force operations as a part of NATO's integrated air and missile defence system.

c. Ämari air base shall achieve the capability of hosting allies' aircraft, including one NATO air policing rotation per year by 2015.

13. Development of mine warfare capability shall be continued in the Navy with three mine countermeasure vessels to be modernized, as well as a diver group and one naval auxiliary vessel. The Navy shall continue participation in international military operations and the NATO mine warfare group, thus ensuring, among other things, the frequent presence of NATO's permanent Mine Countermeasures Group (SNMCMG1) in the Baltic Sea.

14. The Defence Forces shall achieve the capability of carrying out special operations throughout the country's territory with short advance notice. Starting in 2012, the special operations unit shall contribute to fulfilment of Estonia's duties as an ally on operations abroad.

15. Intelligence, reconnaissance and early warning shall remain priorities in accordance with the new development plan. In the interim four years, the field has seen significant progress, but the ever more complicated security environment and the potentially more rapid fluctuation of security threats dictate the need to remain at least a step ahead of developments.

16. The development plan shall devote special attention to Defence Forces mobilization and support.

a. The functions of Estonia military defence mobilization and support shall be concentrated in the Support Command.

b. The principal functions of the Support Command will be to lead the process of mobilization and formation of units, logistical support and activities related to Host Nation Support, and to coordinate the field of military education.

17. The effectiveness of command of military defence shall increase and bureaucracy shall decrease.

a. Command of the Defence Forces shall take place from one operation and strategic level staff; the Army Staff and the Defence Forces General Staff shall be merged;

b. One staff each shall be retained in the Navy and Air Force; the separate Air Base, Air Surveillance Wing, Mine Countermeasures Squadron and the Naval Base staffs will be disbanded.

c. The defence districts shall be reorganized and territorial defence shall be transferred as a whole to the jurisdiction of the Defence League. In addition to the Territorial Defence Staff, the wartime territorial defence structure will have five territorial defence districts with a territorial area of responsibility, one of which will be responsible for the so-called Greater Tallinn area. During peacetime, the territorial defence district staffs will be part of the Defence League General Staff or the Defence League district staffs.

18. The effectiveness of support services in the jurisdiction of the Ministry of Defence shall increase.

a. A joint ICT development and administration centre shall be created in the jurisdiction of the Defence Forces into which the information and communications technology development and support functions of the relevant institutions will be concentrated.

b. The logistics system in the jurisdiction of the Ministry of Defence shall be reorganized and in four years, a joint institution shall be established ensuring effective, centralized and transparent administration of materiel and infrastructure life cycle during both war and peace.

c. To better manage veterans support services, the services shall be consolidated in a common support services centre to be created as part of the Defence Forces and which will manage and administer veterans support services throughout the jurisdiction of the Ministry of Defence.

19. Compared to the benchmarks from previous development plan, the number of conscripts has risen by one-quarter – instead on the previously planned 2,500, there will be 3,200 conscripts drafted annually.

a. The current conscription model will be maintained and compulsory military service will remain the primary basis for training reserve units and manning professional units. Starting in 2013, female Estonian citizens can also complete analogous military service on a voluntary basis.

b. By the end of 2014, modern living and training conditions will be available for all conscripts. To achieve this, bases with capacity for expansion will be modernized in Tallinn (Miinisadam), Tapa, Jõhvi, Võru and Ämari. For the purpose of saving on costs, bases that lack potential or are completely obsolete on Marja and Rahumäe street in Tallinn and in Meegomäe will be closed.

20. To ensure an retention and increase in active-duty personnel, salaries in the Defence Forces and Defence League shall in 2013 be made competitive. This goal will be achieved, whilst taking into consideration the principle that personnel expenses in the jurisdiction of the Ministry of Defence must not exceed one-third of the defence budget in any one year during the planning period.

21. The share of the budget devoted to salaries for civilians in the Ministry of Defence's jurisdiction shall not increase. This means that the creation of additional civilian positions or increasing the wages faster than the inflation rate or overall growth in defence spending can only take place at the expense of other civilian positions.

22. The main priority in developing training areas is the Defence Forces central training area, which must enable the infantry battalion hold simulated battle conditions exercises and air to surface bombing. The training areas in Nursipalu, Sirgala and Männiku and the

shooting ranges in Tapa, Jõhvi, Uniküla, Männiku and Klooga will be developed and improved. In addition, the establishment of 7-10 additional shooting ranges will take place in order to support training of Defence League military units.

23. The Ministry of Defence will continue prioritizing cyber defence both internationally and domestically, using for this purpose, among other things, the synergy created by cooperation between Defence League cyber defence units and the NATO Cyber Defence Centre.

24. The contribution to operations abroad carried out by NATO, the European Union and/or coalitions of the willing will continue in order to achieve Estonia's security policy objectives. Estonia remains committed to usability criteria and seeks to increase the sustainability and deployability of the Defence Forces .

## Closing remarks

25. The National Defence Development Plan and its provisions are based on a number of interconnected presumptions: the fluctuations in the security environment and military needs, amount of defence spending, expenditures not directly related to the capability development, and the resource need for various military capabilities from the standpoint of maintenance, creation and number of active-duty personnel.

26. The forces and capabilities described in the development plan can be created only if the said preconditions do not significantly change and the defence budget is aimed only at developing the capabilities and units specified in the development plan.

27. To make the changes set forth in the development plan a reality, additional steps are to be taken, which shall be further specified by shorter-term planning documents: the military defence action plan, annual state budgets. In addition to these, a number of other legal acts must be drafted to achieve the implementation of the development plan. To plan their coordinated development, a detailed implementation plan will be prepared by April 2013.