National Defence Development Plan
2013 – 2022

1. Foreword

Estonia's military defence is based on initial self-defence capability and the principles of NATO collective defence. In both initial self-defence capability and NATO collective defensive, Estonia can benefit only from units manned by well-trained personnel and equipped with the required materiel. The establishment of such units is the focus of this Plan.

The National Defence Development Plan was compiled jointly by the Ministry of Defence and Defence Forces experts, taking into account also analyses by other government institutions and the military plans of Estonia's allies. Considering the threats that could potentially impact Estonian security and the resources available for military defence in the next decade, the development plan provides for the creation of concrete units that are, if needed, prepared to respond quickly. Estonia's rapid response capability currently has shortcomings.

In the decade ahead of us, Estonia's military defensive capacity will see significant growth. Instead of the 18,000 personnel set out in the previous development plan, there will be over 21,000 personnel in the Defence Forces' rapid response structure, among them 3,600 active-duty personnel instead of the current 3,100. All of the reservists who have received training from the Estonian Defence Forces as part of their compulsory military service will be included in Estonia's primary-readiness and supplemental reserves, and this contingent will be 60,000 strong. By 2022 the primary-readiness and supplemental reserve will grow to 90,000 strong.

The military defence development plan approved four years ago was not completely feasible due to the recession that took place in the interim: current forecasts are that Estonia has over one-third less funds than estimated at that time. It is still possible to increase military capacity, if defence spending continues to stay at 2 per cent of the gross domestic product and if we are able, throughout the decade ahead, to focus on developing the military capabilities that we need and are within our powers.

All of the capabilities we need – even the ones we are unable to develop in the next ten years – will remain longer term goals and will be scheduled for fulfilment after 2022 or if the defence budget should significantly increase in the meantime.

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2. Resources Projected in the Previous Development Plan and the Reality

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.

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.

In 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 less than the amount planned in the Military Defence Development Plan (MDDP) for 2009-2018.

	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

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

3. Size of the Defence Budget

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 sent by the Ministry of Finance to the Ministry of Defence.

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 as of planning. The table below reflects the defence budget in 2011 inflation-adjusted prices in the period 2013-2022.

	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	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
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

TABLE – Amount of defence expenditures

4. Summary of the National Defence Development Plan 2013-2022

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.

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 capability and general resource limitations on developing defensive capability. The National Defence Development Plan shall be established 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.

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.

The fundamental principle behind the National Defence Development Plan is to produce concrete military units that are able to respond rapidly when necessary.

With regard to land operations, the main focus during the development plan's planning period is on establishing rapid-response infantry brigades, developing armoured manoeuvre capability and strengthening anti-tank defences.

The 1st infantry brigade shall be completely equipped and armed and armoured manoeuvre capability shall be developed within the unit; the professional Scoutsbattallion within the brigade will receive modern infantry fighting vehicles; the rest of the brigade's manoeuvre battalions will be equipped with armoured personnel carriers.

By 2022, the 2nd infantry brigade shall also be established and developed in full, which will significantly increase the Defence Forces' firepower and rapid-response capability.

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

To ensure mobile and far-ranging covering fire, 155mm self-propelled howitzers shall be procured for the Defence Forces.

In addition to the above, the development plan also sets out 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 complete the development in full by that year. The decision with regard to exactly when the tank battalion and medium-range air-defence battalion will be ultimately developed will be made during the time of the preparation of the next national defence development plan in 2016.

The security “carpet” covering all of Estonia – the result of territorial defence – 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.

- The efficacious military command of territorial defence (the 15 Defence League districts) in even the most complicated situations will take place through the five territorial defence districts, which will become activated in times of crisis and in the event of war.
- The units belonging to the territorial defence structure shall be equipped and completely armed.
- The voluntary element 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.

With regard to air operations, the development plan provides for an increase of Estonia’s air 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.

- Additional medium range air surveillance radar systems shall be procured for the air force and the existing ones shall be modernized.
- VThe Air Force command and notification centre shall be developed. It shall be capable to command air force operations as a part of NATO’s integrated air and missile defence system.
- Ämari air base shall achieve the capability of hosting allies’ aircraft, including one NATO air policing rotation per year by 2015.

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.

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 foreign operations.

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

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

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

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

- 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;
- 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.
- 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.

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

- 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.
- 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.
- 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.

Compared to the provisions of the 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.

- 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.
- By the end of 2014, modern living conditions will be created for all conscripts. To do so, bases with capacity for expansion will be increased in size 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.

To ensure an increase in active-duty personnel, salaries in the Defence Forces and Defence League shall in 2013 be made competitive. This will be done based on the principle that personnel expenses in the jurisdiction of the Ministry of Defence must not exceed one-third of the budget for the area of administration in any one year during the planning period.

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.

The main priority in developing training areas is the Defence Forces central training ground, 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 in locations decided by the Defence League will take place in order to support training of Defence League military units.

The Ministry of Defence area of administration 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.

The contribution to foreign operations carried out by NATO, the European Union and/or coalitions of the willing will continue in order to achieve Estonia's security policy objectives. As a planning precondition, the point of departure is the requirements for increasing the applicability of NATO forces.

Unlike the field of military defence, the national defence functions with regard to other national defence fields have not been identified, as a result of which for the first time functions in the context of the broad interpretation of national defence was analysed in conjunction with representatives of the Ministry of the Interior, Ministry of Finance, Ministry of Economic Affairs and Communications, Ministry of Social Affairs, the Ministry of Foreign Affairs and the Government Office. The point of departure for the analysis was the main role of agencies set forth in the National Defence Development Plan with regard to national defence issues. In the process of compiling the development plan, the national defence functions of the relevant institutions were identified and the relevant strategies for their activity were compiled. In the development plan implementation phase, the focus with regard to non-military fields lay on refining methodology and carrying out an analysis of the volume and resources of identified functions. In the process of cooperation between institutions taking part in the process, the development plan has created a platform for further development of cross-agency planning of national defence.

5. Closing Remarks

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

The forces decided in the development plan can be created only if the said preconditions do not significantly change and the defence budget resources are aimed during the planning period only for developing the capabilities and units specified in the development plan.

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 activity plan, the four-year development plan for the Ministry of Defence area of administration and annual state budgets. In addition to these, a number of other draft legal acts must be prepared for implementation of the development plan. To plan their coordinated development, a detailed implementation plan will be prepared by April 2013.

1. http://valitsus.ee/et/riigikantselei/eesti2020 (http://valitsus.ee/et/riigikantselei/eesti2020)