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OF
SERBIA AND MONTENEGRO

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INTRODUCTION

The Defence Strategy of the State Union of Serbia and Montenegro (hereinafter referred to as the Defence Strategy)* represents a document which contains common views of the member states on the most significant issues relating to security and defence. The Defence Strategy is based on the Constitutional Charter of the State Union of Serbia and Montenegro; the interests and capabilities of the member states and Serbia and Montenegro; new relations between the members states and democratic processes within them, as well as their desire to integrate into global changes in the world; trends in the international security integration processes and responses to contemporary challenges, risks and threats to security.

Serbia and Montenegro confirms its new approach to membership in international security structures, firstly to the NATO Partnership for Peace Programme and NATO Alliance based upon the democratic will of the citizens and other European and Euro-Atlantic integration processes.

The Defence Strategy has analysed the security environment; identified challenges, risks and threats to security; defined the interests and strategic concept of defence of the member states and Serbia and Montenegro; outlined the defence system and defined method of planning and financing.

The Defence Strategy is a public document.

* The Defence Strategy of the State Union of Serbia and Montenegro was adopted by the State Union of Serbia and Montenegro Parliament hold on session on November 18th 2004.

1. SECURITY ENVIRONMENT

1.1. Global Security

In modern international relations, distinguished by an intensive process of globalisation, traditional security and defence concepts have become outdated. Changes in international relations require new defence and security concepts, in which national, regional and global security are interwoven.

The states, as the most important actors in international relations, can no longer successfully fulfil their security needs only on the basis of narrow views of national security, but rather, must do so within the framework of regional and global security values.

In order to overcome existing contradictions, conflicts and disagreements, a new collective security system has been developed, based on co-operation and confidence, but even this does not completely exclude terrorist activities and the use of weapons of mass destruction.

The threats of that kind erase the boundaries between the conflicted areas, so that no country in the world is completely safe any more.

1.2. Regional Security

Processes of integration and regionalisation are in progress within the Euro-Atlantic community due to the development of collective security and the preservation of national security. The crucial components of European security are the UN, OSCE, EU and NATO, and therefore the security of Europe significantly depends on their capability to adjust and to respond to contemporary challenges, risks and threats.

The stabilization of peace and security are significantly influenced by the new role of NATO, and the strengthening of the processes of integration within the European Union, as well as within other international and regional organizations.

The NATO Partnership for Peace Programme is especially important for the security of Europe as it enables political, security and defence

co-operation of countries that are not members of the alliance, focusing on prevention and security enforcement within the regional environment.

European security problems have been mostly apparent in the region of South-eastern Europe. Security of the region has been additionally jeopardised by inherited instability and problems of transition.

Terrorism, ethnic and religious intolerance, organised and trans-national crime, especially continue to make it difficult to find the most favourable solutions. Thus, despite the efforts of the international community and states in the region, security in South-eastern Europe has not been completely stabilised yet.

Even with positive trends and developments in resolving the security issues of the region, the threats of the reopening of crises and conflicts have not been totally eliminated. The initiated processes of integration have been slowed down by occurrences of the ethnic violence that could be a threat to territorial integrity of the states in the region.

The various regional security initiatives which are of a particular significance for the consolidation of peace and stability within the South Eastern Europe region, include: South Eastern Europe Cooperation Process (SEECP), The Stability Pact for South Eastern Europe (SPSEE), The South Eastern Europe Defence Ministerial Meeting (SEDM), The South Eastern Europe Initiative (SEEI).

The involvement of all South Eastern Europe states in these initiatives, their institutionalization and development of bilateral relations, significantly contribute to cooperation and confidence building, as well as to the overall security in the region.

1.3. Security of the Member States and of Serbia and Montenegro

The complex geopolitical and geo-strategic environment of the member states and of Serbia and Montenegro, caused by both current and potential crises, can, under certain circumstances, have a negative

influence on their security, which could also be jeopardised by activities of various negative internal factors.

However, the security of the member states and of Serbia and Montenegro has been significantly improved in comparison to the last decade of the 20th century: namely, the chances for direct threat or aggression have been reduced since all the countries in the region mainly aspire to the same civilisation values and integration objectives.

Armed conflicts would only be possible in case of a global and regional crisis and this is less likely to happen at the beginning of the 21st century due to established mechanisms for their prevention and determination of the international community to confront and to incapacitate them.

2. CHALLENGES, RISKS AND THREATS TO THE SECURITY

Challenges, risks and threats to the security of the member states and of Serbia and Montenegro could be of a military and of a non-military nature. Terrorism is one of them, and has become a universal threat.

2.1. Military Challenges, Risks and Threats

Military challenges, risks and threats to the member states and Serbia and Montenegro have been reduced, but not completely excluded.

They may be manifested as: aggression, armed conflicts, armed rebellion and other disputes with the use of armed force.

Aggression is less likely, but it should not be excluded as a foundation for the substantial determination of the Defence Strategy.

Global and regional *armed conflicts* are possible in case of a general European and world crisis. They might take place if the democratic process is stopped in any of the countries in the region, with an additional complication of the situation due to economic, social, ethnic and religious reasons.

Armed rebellion, as a specific form of armed conflict motivated by the unconstitutional and violent alteration of borders, could also jeopardise security of the member states' territories, which up make the territory of Serbia and Montenegro.

In order to defend from all the aforementioned, as well as from other military challenges, risks and threats, force shall be used in accordance with the principles of the international law stipulating the use of force. Its use, as the final instrument, shall be selective, measured and proportional to the nature and intensity of the threat.

The Serbian and Montenegrin Armed Forces (the SMAF) are the executor of the response to the military forms of threats to the security of Serbia and Montenegro.

2.2. Non-military Challenges, Risks and Threats

Non-military challenges, risks and threats present a growing global danger and can jeopardise the interests and security of any country in the world, as well as of Serbia and Montenegro.

The most likely non-military challenges, risks and threats to security are: terrorism, organized crime and corruption, as well as other forms of the threat to security of the member states and of Serbia and Montenegro.

Terrorism is one of the greatest challenges, risks and threats to global, regional and national security due to its trans-national character and connections with organised crime.

Terrorism, which is confronted by all security system elements, represents the largest and most widespread threat to the security of the member states and of Serbia and Montenegro.

Organised crime and corruption – the interrelation of the two, especially in the areas of illegal drugs and human trafficking, as well as proliferation of both conventional weapons and weapons of mass destruction – are a real threat to the security of the member states and of Serbia and Montenegro.

There are also other non-military challenges, risks and threats to security, more or less likely to occur or to be recognized, such as natural disasters, industrial and other accidents and epidemics.

Serbian and Montenegrin institutions, at the request of its member states and in co-operation with their bodies and services, primarily the security services, police, border, customs and judicial bodies may take part in the defence from non-military challenges, risks and threats to security.

3. SECURITY AND DEFENCE INTERESTS

Security and defence interests comprise the general needs of the member states and of Serbia and Montenegro. They are derived from general civilization values, the goals drafted in the Constitutional Charter, the realistic capabilities of the member states and the actual position of Serbia and Montenegro within the international environment.

The vital security and defence interests are the following:

- defence of the member states and of Serbia and Montenegro;
- accession to Euro-Atlantic integration processes, European Union and other international organizations and institutions;
- co-operation with international organizations and institutions;
- development of confidence, security and stability in the region and
- implementation of the UN Security Council 1244 Resolution on Kosovo and Metohija;

Security and defence interests are to be implemented in compliance with international standards.

The member states and Serbia and Montenegro are determined to use all available and legal means to protect their security and defence interests and take an active part in the creation and protection of the universal values of the international community.

4. RESPONSES TO SECURITY CHALLENGES, RISKS AND THREATS

Responses to security challenges, risks and threats shall imply the implementation of the established defence policy of Serbia and Montenegro, in concordance with joint policies and interests of the member states.

To respond to the security challenges, risks and threats, defence is organized and mandated by the Constitutional Charter of the State Union of Serbia and Montenegro and the Law on Implementation of the Constitutional Charter. It is worked out in detail through the basic decisions, a defence concept and available defence resources.

4.1. Main Strategies

In the process of shaping and implementing the defence of Serbia and Montenegro and the member states:

- *support* positive processes in the contemporary world, especially working for peace and diminished threats from all kinds of violent conflicts;
- *are devoted to* the creation of international relations based on equality, co-operation and non-interference in the internal affairs of other states;
- *are determined* to fulfil its obligations stipulated by the UN Charter and Universal Declaration on Human Rights and other international agreements and treaties;
- *urge for* reinforced roles of the UN, OSCE and EU and the creation of secure mechanisms of universal security, with respect for the interests of all states, nations and ethnic groups;
- *are dedicated to* the Helsinki Final Act and other OSCE documents, especially with regard to the non-violability of borders, disarmament and arms control;
- *do not consider* any state as hostile;
- *share a* common point of view with other states that the

stability and security of the Euro-Atlantic region can be achieved only on the basis of co-operation and joint action;

- *are determined* to reinforce internal stability and give an active contribution to security and stability in the South-eastern European region;
- *are determined to* comply with the Dayton Peace Agreement and to implement all commitments taken over from it;
- *are determined to* consistently comply with the UN Security Council Resolution 1244;
- *allow* temporary deployment of foreign armed forces on their territories, only within the framework of peacekeeping missions based upon UN decisions and signed agreements;
- *are determined to* deploy parts of the Armed Forces of Serbia and Montenegro in foreign territories only within the framework of peacekeeping missions based upon UN decisions and signed agreements and
- *are determined neither* to develop nor to use weapons for mass destruction and to take an active part in prevention of their proliferation.

Serbia and Montenegro is determined to engage its defence capabilities, in compliance with the Constitutional Charter and in accordance with the UN Charter and principles of the International law regulating the use of force.

The member states' territory is united with regard to defence.

4.2. Strategic Concept of Defence

The strategic concept of defence is the fundamental strategy of the member states and of Serbia and Montenegro with regard to implementation of defence and the engagement of available resources of defence in order to protect their interests.

It has been established on the basis of the assessed challenges, risks and threats to security, and developed in recognition of realistic capabilities and levels of involvement into European and Euro-Atlantic integration.

Depending on the nature and intensity of challenges, risks and threats to security, the response will be: in war – by a decisive defence of the member states and of Serbia and Montenegro with their own forces, with the assistance of partners, allies and friendly states; in peace – by the creation of reliable partnerships and co-operation in forming a favourable security environment and deterrence by an integrated and efficient defence system.

The strategic concept of defence is a basis for the defence planning of Serbia and Montenegro.

4.3. Defence Resources

Defence resources have a significant influence on the success of the responses to challenges, risks and threats to security, and, thus, have an impact on the protection of the member states' and of Serbia and Montenegro's interests.

The basic defence resources are human and financial resources.

The human resources comprise the demographic potential of the member states, which is obliged to defend as well as being capable and trained to join the defence system.

The material resources comprise the natural, economic, financial, information and other potentials of the member states and of Serbia and Montenegro that are engaged for defence needs.

The law regulates the engagement of human and material resources for the requirements of the defence system.

The efforts of various state bodies and institutions are harmonised in the course of the development of the defence system, in order to create an efficient logistic system, primarily based on the member states' economies.

The member states and Serbia and Montenegro shall preserve and develop the defence industry potentials, including co-operation with other states.

5. DEFENCE SYSTEM OF SERBIA AND MONTENEGRO

The defence system comprises the inter-related elements of the member states and of Serbia and Montenegro that are engaged on an organized level in order to protect and defend their common interests.

The defence system is maintained under democratic and civil control. The aims, tasks, operational principles, subjects and defence system management are defined by the Defence Strategy.

5.1. Aims and Tasks of the Defence System

The member states and Serbia and Montenegro define the aims and tasks of the defence system which represent the expression of the political determination, their requirements and capabilities, and are directed towards the protection and defence of their jointly established interests.

The aims of the defence system are the following:

- defence and protection of vital security and defence interests of the member states and of Serbia and Montenegro;
- active contribution to peace keeping and developing of a favourable security environment, and
- developing and improving partnership relations with appropriate institutions of the collective security system of neighbouring countries and other states.

The tasks of the defence system are the following:

- creation of a defence system capable of responding to the current and future challenges, risks and threats to security in peace and war;
- efficient defence management;
- creation of a stable defence system in accordance with the available resources and capabilities for logistic support;

- achieving interoperability with the defence systems of other states already integrated into European and Euro-Atlantic security structures;
- co-operation with member states of the NATO Partnership for Peace Programme, the NATO Alliance and other states and alliances, and
- reform of the defence system.

The defence system shall enjoy legal protection in accordance with the Constitutional Charter of the State Union of Serbia and Montenegro.

5.2. Principles of the Defence System

The principles of the defence system shall determine the operational activities of its components. The basic principles are the following: comprehensiveness, unity, operational awareness, co-operation, interoperability, efficiency, flexibility, modernity, professionalism, transparency and sufficiency.

5.3. Elements of the Defence System

The elements of the defence system are the following: institutions of Serbia and Montenegro based upon the Constitutional Charter of the State Union of Serbia and Montenegro; the Armed Forces of Serbia and Montenegro and member states' institutions based upon the member states' constitutions.

In the process of implementation of the aims and tasks of defence, the elements of the defence system comply with the provisions of the Universal Declaration on Human Rights, the Geneva Conventions, the International Humanitarian Law Code and the internal legislation.

5.3.1. Institutions of the State Union Managing the Defence System

The institutions of the State Union that manage the defence system are: The Parliament of Serbia and Montenegro, the Supreme Council of Defence, the Council of Ministers and the Ministry of Defence, in accordance with the competences stipulated by law.

5.3.2. Armed Forces of Serbia and Montenegro

The Armed Forces of Serbia and Montenegro are the armed force of the defence system. They are developed in keeping with the best domestic and foreign experiences and scientific achievements in defence.

The Armed Forces are given mandate for missions and tasks.

The Armed Forces missions and tasks are defined by the Parliament of Serbia and Montenegro in accordance with the member states' inalienable right to individual and collective defence, pursuant to Article 51 of the UN Charter, the principles of the international law regulating the use of force and the Constitutional Charter of the State Union of Serbia and Montenegro.

The missions of the Armed Forces of Serbia and Montenegro are:

- defence of the member states and of Serbia and Montenegro against armed threats from abroad;
- engagement in developing and keeping peace in the region and the world, and
- support to the member states in case of natural disasters and catastrophes.

The basic tasks of the Armed Forces of Serbia and Montenegro are the following:

- deterrence from armed threats and all other military challenges, risks and threats to security;
- defence of territory, airspace and sea areas;

- training of soldiers, senior officers, commands, units and institutions for implementation of the tasks and missions;
- participation in international military co-operation and peace keeping operations, under the auspices of the UN and other systems of collective security;
- provision of assistance to member states in case of natural disasters and catastrophes, which jeopardise human lives, the environment and financial resources.

The Armed Forces can perform other tasks based upon decisions of the Parliament of Serbian and Montenegrin and the Supreme Council of Defence.

The Armed Forces are organized on strategic, operational and tactical levels into commands, units and institutions. They consist of arms, branches and services. Arms are integrated and represent relatively autonomous entities of the land, air and maritime forces, as well as the units of branches and services.

The basic organizational structures and the size of the Armed Forces shall be defined by the Supreme Council of Defence upon the proposal of the Ministry of Defence, depending on the level of threat, resources, missions, tasks and international standards. The Ministry of Defence shall submit a proposal to the Supreme Council of Defence on the basis of previously obtained opinion of the member states' governments.

The Armed Forces are principally manned by professionals, conscripts and reservists, with a tendency towards full professionalisation.

They develop their own system of training and logistics and rely upon both member states and foreign partners' resources. They offer their own capacities to other beneficiaries as required, upon a decision of the Supreme Council of Defence.

5.4. Other Institutions Significant for Defence

Of importance for defence, there are also institutions dealing with the issues of diplomacy and security, and in accordance with the member states, other institutions and services required for functioning of the defence system.

They conduct their activities in co-ordination with the defence system elements, in compliance with the law.

5.5. Defence System Management

Defence system management shall provide efficient functioning and responses by all defence system elements to military and non-military challenges, risks and threats to the security of the member states and of Serbia and Montenegro.

The management function *of the Parliament of Serbia and Montenegro* is performed by passing laws, decisions and other legal documents, as well as by having oversight over the defence system elements, through parliamentary boards and commissions.

The Supreme Council of Defence, as the Commander in Chief, commands the Armed Forces of Serbia and Montenegro and decides on their use.

Decisions are reached by consensus.

The Council of Ministers and the Ministry of Defence accomplish their managing functions through management and control.

The Minister of Defence coordinates and implements the established defence policy and manages the Armed Forces of Serbia and Montenegro, in accordance with the law and competences provided by the Supreme Council of Defence.

6. PLANNING AND FINANCING OF DEFENCE

Defence planning and financing shall be performed as an integral part of the planning and financing process and financing competencies trusted to Serbia and Montenegro. It is executed by the authorised bodies of the member states and Serbia and Montenegro, according to the Constitutional Charter and the Law on Implementation of the State Union of Serbia and Montenegro Constitutional Charter and regulations that define the defence and budgeting system.

A part of the resources for the defence needs shall also be provided through the Fund for Defence System Reform of the State Union of Serbia and Montenegro, which is established by a separate normative legal document.

6.1. Planning of Defence

The planning of the obligations of all management defence system bodies is based upon realistic economic and budgeting capabilities, the aims and tasks of the defence system, an evaluation of security parameters, priorities for the planned period and commitments undertaken.

In defence planning an integrated system is applied via long term planning, mid-term programming and annual budgeting, compatible with the international standards. The Defence Strategy programme and budget are consistently tied to the planning system and there are clearly defined long-term, mid-term and annual priorities, which provide for rational and efficient utilisation of defence resources.

The Ministry of Defence shall draft a financial plan for defence for every year, based on the annual review of the Ministry of Defence and Armed Forces of Serbia and Montenegro needs and the Council of Ministers Guidelines for the draft of the Law on Annual Incomes and Expenses necessary for financing of competencies awarded to Serbia and Montenegro. The Ministries of Finance and Economy of the member states provide the Ministry of Defence with the appropriate data for projecting long-term defence budgeting expenditures.

6.2. Financing of Defence

The basic source for annual financing of defence needs are the funds allocated by the Parliament of Serbia and Montenegro, based on the member states' annual revenues and expenditures necessary for financing the competences trusted to Serbia and Montenegro, proposed by the competent member states` institutions and the Council of Ministers. Apart from funds provided by member states` budgets, the defence system also generates some funds which are developed in the defence system.

The resources for the unified defence financing and planned revenues in the defence system are defined within the member states' budgets, according to the amounts of the commitments undertaken and according to the trends of rationalisation of military expenditures, in keeping with international standards.

The member states' governments provide stable financing and regular disbursement of planned defence expenditures.

6.3. Transparency and Control in Defence Planning and Financing

Transparency in defence planning and financing is accomplished through the procedure of a proposed programme, preparation and budget approval – with clearly defined aims, programmes and tasks that require the necessary adequate financial means, and concluded by the process of reporting on budget expenditures in accordance with the purposes for which the expenditures were allocated.

There is internal and external control of the utilization of defence resources, in accordance with the Law. External control represents an important form of democratic civil control of the defence system and of the Armed Forces of Serbia and Montenegro, which is performed by the authorized member states' and Serbia and Montenegro assemblies boards.

6.4. Defence Planning and Financing in Harmonization with International Standards

Functional classification according to the United Nations is applied in the planning, executing and reporting on defence expenditures, together with an integrated planning, programming and budgeting system.

This procedure provides separate listing of individual requirements and expenditures of the elements of the defence system, in defence planning and financing.

Economic classification according to the statistics methodology of administrative finance is applied for the purpose of meeting international standards.

After the budgeting year is over, the Ministry of Defence reports to the OSCE and other relevant institutions on planned and actual expenditures for defence, according to the UN Instrument for Standardised Reporting on Military Expenditures and in accordance with the Vienna Document of 1999.

FINAL PROVISIONS

The State Union defence strategy represents the foundation for the reform of the defence system and the Armed Forces, a periodical formulation of the common defence policy and for development of doctrine, normative and other documents on the issue of defence.

The Defence Strategy is applied, evaluated and developed in regard to the security environment of the member states and of Serbia and Montenegro, their interests, economic capabilities and any changes in relevant factors.

The Defence Strategy enters into force the day after it has been published in the "The Official Gazette of Serbia and Montenegro".