REPUBLIC OF SLOVENIA
MINISTRY OF DEFENCE

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DEFENCE SECTOR STRATEGIC REVIEW2009 (DSSR)

Summary of key DSSR 2009 conclusions

Ljubljana, October 2009

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INTRODUCTION

The purpose of the Strategic Review of Defence Sector 2009 (SRDS 2009) was to review the size and structure of defence sector, its past function and management, primarily from the perspective of effectiveness and efficiency, and to determine the success rate of defence sector's contribution to the provision and preservation of the Republic of Slovenia's credibility in the international community.

The goal of SRDS 2009 was to highlight the identified positive characteristics of defence sector's activity, and to eliminate any errors and deficiencies in organization and function on the basis of the widest possible common vision of the further development, transformation and modernization of defence sector in the upcoming short (2010–2012), medium (up to the year 2016) as well as the long-term period (up to the year 2025).

The strategic review is not the first of its kind carried out at the Ministry of Defence, since the need for a thorough reflection on the situation in defence sector and the future direction and tempo of its development were articulated as early as 2003.

This time - in the year 2009 - our ambition was even bigger. The former Defence Review (DR) was replaced with the DRSS, indicating that the analysis of the defence system and the Slovenian Armed Forces (SAF) included for the first time also the system of protection against natural and other disasters (PNOD).

With the first strategic review in 2003 we responded to the changes taking place in society and security environment at the time, mainly to the process of the Republic of Slovenia's accession to NATO and the transition from the conscript to a professional armed force, which had a big impact on the planning and generation of defence system capabilities. By monitoring the defence sector activity in recent years we could perceive that some of the goals and tasks set in the first strategic review have not been accomplished as planned, also due to often inadequate response to changed circumstances.

The new Strategic Review of Defence Sector 2009 was influenced by the following circumstances:

- Changed international status of the Republic of Slovenia following its entry into NATO and the EU,
- Changing sources of threat and other changes to the Republic of Slovenia's security environment,
- Increasingly critical attitude of the society towards defence sector, additionally influenced by uncertain outcome of the global economic and financial crisis in the past year,
- Different intensity levels of past adaptation of individual defence sector segments to modern security circumstances and requirements, and
- Outdated strategic documents (ReSNV, SDPRO, SOPr) and legislation (ZObr) no longer providing adequate support to the further development of defence sector in light of the changed circumstances.

The analysis of defence sector situation and the direction of future development are derived from the following key documents:

- Applicable national strategic and planning documents, although some of them no longer provide a realistic basis for planning, development and functioning of defence sector,
- Guidelines and stipulations of strategic and political NATO and EU documents approved and adopted by the Republic of Slovenia,
- Commitments assumed towards NATO and the EU,
- Situation analyses and anticipated changes to security environment,

- Approved national priorities of the further development of defence sector,
- Analyses of current and assessment of future defence resource availability,
- Surveys of the impact of lawfulness of developing new concepts and technologies on defence and particularly on the military spheres, and
- Good practices and experiences of allies with defence reforms gained through the consultation process with NATO.

The survey of these documents in relation to the defence sector situation has found that past changes and the indicated development directions in individual areas are not entirely adequate, and therefore requires an in-depth opinion about the subject-matter and the pace of the further development of the entire defence sector.

SRDS 2009 was primarily focused on key SAF capabilities and capabilities of the PNOD system. The analysis also covered support functions, and the structures or »capabilities« of defence administration. All of them will be built according to the level of ambition of Slovenia's foreign and defence policies, and the policy of protection against natural and other disasters.

So far, SRDS 2009 has not provided any answers to some more complex system-related dilemmas that will have to be addressed progressively in various development-guiding and other documents under preparation. SRDS reports are mainly analytical documents constituting the necessary expert basis for the decision-making process in the military and defence policies, and the policy of protection against natural and other disasters, but also other policies of the Republic of Slovenia's Government (financial, labour, social, public-administrative, etc.).

Based on the relevant political decisions, the strategic guidelines on the transformation and future development of defence system will be presented in the new Resolution on the General Long-Term SAF Development and Equipping Programme (ReSDPROSV) and the Strategy of the Republic of Slovenia's Participation in International Operations and Missions, and in the following years in the new Medium-Term Defence Programme (SOPr), Defence Strategy and Defence Act (ZObr) and the renewed Service in the Slovenian Armed Forces Act (ZSSV). The majority of solutions and changes concerning PNOD envisaged in SRDS 2009 are already included in the National Programme of Protection against Natural and Other Disasters 2009–2015.

This report represents the second stage of the SRDS 2009 conclusions' summary: 124 pages of the summary following the first stage of SRDS and 102 pages of the summary after the second stage of SRDS make up the integral summary of key SRDS 2009 conclusions on 54 pages. Since the summary of key conclusions is based on the total of 1,596 pages, the focus of the SRDS 2009 summary for communication with the interested public lies on the most important conclusions and proposals concerning defence policy, key capabilities provided by defence sector, i.e. SAF and the PNOD system, as well as defence sector management.

1 DEFENCE POLICY

1.1 Introduction

The mission of defence policy is laid down in different relevant strategic and guiding documents (Resolution on the National Security Strategy of the Republic of Slovenia - ReSNV, Defence Strategy, Resolution on General Long-term procurement Plan of the SAF,) which, however, do not completely reflect the Republic of Slovenia's position in the modern security environment.

As a result, an in-depth revision of the whole hierarchy of national security documents is necessary. The main task is to supplement ReSNV in the year 2009 as the basic guiding document in the areas of national security and defence. The revised ReSNV should be followed by an updated version of Defence Strategy in 2010 defining the goals of defence policy. The documents will also constitute the basis for the development of doctrinal documents in individual areas of defence system.

The revised national security documents, including the Strategy of the Republic of Slovenia's Foreign Policy and the Strategy of the Republic of Slovenia's Participation in International Operations and Missions (IOM) will determine the level of ambition, interests and goals of the Republic of Slovenia's defence policy and hence the substance and intensity of the Republic of Slovenia's activity in defence area within NATO, the EU, UN and OSCE and bilaterally.

Based on strategic guidance and development documents of the Republic of Slovenia's national security, the long-term (ReSDPROSV) and the medium-term (SOPr 2010–2015) development programmes is being developed including also NATO-agreed force goals and the agenda for the provision of key SAF' capabilities.

1.2 Analysis conclusions

With the Republic of Slovenia joining NATO and the EU, the key objectives of defence policy from the turn of the century were achieved. The present situation, however, indicates the lack of a vision and the lack of a target-oriented defence policy both within NATO and the EU, as well as in bilateral and multilateral areas. In defence, the Republic of Slovenia's response focuses primarily on various initiatives, but is lacking a more recognizable and concerted approach to the implementation of policy concerning its own interests both within NATO as well as in the development and implementation of the European Security and Defence Policy (ESDP). A more active involvement, proportionate and fair burden-sharing, and target-oriented activity based on national interests would help the Republic of Slovenia improve its credibility and recognition within the Alliance, and more successful implementation of national interests.

The size and structure of the Slovenian Armed Forces, its further development, capabilities and operations should derive from a balance of ambitions, needs and available resources of the Republic of Slovenia as a NATO and EU member.

The appropriate size of the Slovenian Armed Forces' participation in IOM should be planned in proportion to the capabilities and resources. It should be stressed that by achieving a comparable level of engagement in IOM, Slovenia is maintaining its status of a credible ally and by sharing it's part of the burden, at the same time, through the international engagement transforming it' s armed forces .. In doing so, our view is that a much greater role should be given to civil-military cooperation in the reconstruction part of operations,

therefore, the establishment of a balanced contribution of military and civilian capabilities will bring new and additional challenge for the Republic of Slovenia.

The further development of the Republic of Slovenia's defence policy will have to involve a clearer definition of relations concerning the authority and responsibility of key actors in the development and implementation of defence policy. The determining of clear and explicit competences, in particularly between the Ministry of Foreign Affairs (MFA), the Ministry of Defence (MoD) and other government sectors will contribute to more comprehensive and notably more efficient implementation of defence policy.

The newly identified goals of defence policy will also guide the size and structure of defence system. The division of relationships between the Defence Policy Directorate (DPD) and the General Staff of the Slovenian Armed Forces (GSSAF) in terms of complementary, integrated, effective and rational process, including the elimination of the duplication of some functions, will allow for a clearer understanding of the authority and responsibility in the implementation of defence and military policies.

North Atlantic Alliance New security challenges and threats that pose a direct and indirect threat to security of NATO member countries are usually non-military by nature but may also involve military implications. The Alliance will, therefore, on the basis of consensus and on a case-by-case basis, contribute to effective prevention and resolution of conflicts through various crisis management mechanisms also in the future.

In the future, the Alliance will likewise consider the broad approach to security and perform basic security tasks through security provision, consultation, deterrence, crisis management and partnership. Collective defence will remain the fundamental purpose of the Alliance, where fair and equal burden sharing, responsibility and risks will be essential.

Large-scale conventional aggression against the Alliance remains unlikely in the future. However, possible future attacks with military and non-conventional means can also affect the Euro-Atlantic region. NATO will therefore continue to develop and provide forces and capabilities for the full spectrum of military operations at all intensity levels.

Through the Republic of Slovenia's participation in NATO, the effectiveness and success of the implementation of key national defence and security goals will be strengthen in line with the adopted political and planning documents. The biggest attention should be dedicated to the provision of key capabilities related to NATO commitments and efficient force manning for IOM and NATO Response Forces.

The Republic of Slovenia will also in the future continue developing a single pool of forces according to the *single set of forces* principle which can be used for national needs and the requirements of those international organizations (primarily NATO, the EU and UN),that Republic of Slovenia is a full member

European Security and Defence Policy (ESDP). The EU is increasing its share of responsibility for international peace and security, which also influences the further development of defence policy and capabilities of the Republic of Slovenia.

Activities related to the development of joint projects, procedures for harmonization and standardization of defence planning and development of EU forces are being synchronized with NATO procedures for comprehensive interoperability. The focus of EU and NATO efforts is concerted action, and supplementing and delineation or division of tasks to avoid duplication (*single set of forces*).

Solutions facilitating better responsiveness, logistic support and successful force deployment should also be sought within the EU, as the majority of the capabilities cannot be generated

by the Republic of Slovenia autonomously due to its limited resources. Considering this aspect, the capabilities of the Republic of Slovenia's defence system will remain focused on participation in EU battlegroups that provide experiences in developing joint and compatible concepts, doctrines, tactics and procedures, as well as the experiences of joint operation, rapid response and deployment of forces to the area of operation.

The EU dedicates a lot of attention to long-term development and optimum employment of the European military and civilian capabilities, which is necessary for the EU to assume its share of responsibility as part of the Trans-Atlantic partnership in a credible and effective manner. In parallel with this, the Republic of Slovenia is developing concepts and capabilities of comprehensive approach to the implementation of EU operations.

The further development of crisis response at the national level requires a uniform system-based guidance facilitating a higher level of mutual coordination and crisis response readiness. The national crisis response management system will also have to include EU solutions and concepts of crisis management.

Bilateral and multilateral cooperation in defence and military areas represents an important segment of demonstrating and exercising national interests of the Republic of Slovenia in the international arena, and complements the activities within the EU and NATO. The neighbouring countries (Austria, Italy and Hungary) remain the Republic of Slovenia's strategic partners in IOM and in the provision of the joint military capability (MLF).

Owing to the strategic interest of the Republic of Slovenia in the Western Balkans, particularly in light of the stabilization of the situation and reform of the security and defence sector in the post-conflict period, cooperation with the countries in the region should be strengthened and professional support during their accession and integration into Euro-Atlantic establishments should be provided. Considering the limited resources, bilateral and multilateral cooperation should be focused on key interest areas, whereas other activities should be streamlined and adjusted to the implementation of the key goals of defence policy.

The further development of bilateral cooperation with strategic actors of global significance permits the exercising of national interests in the wider international environment and multilateral organizations, and at the some time ensures better recognisability of the Republic of Slovenia in the international community. Strengthening such cooperation can also contribute to wider and more visible involvement of the Republic of Slovenia in the initiatives and activities of the international community, and at the same time support other forms of bilateral contacts, particularly in the economic sector.

Defence diplomacy is still an under-exploited area considering the opportunities it can offer in support of defence policy implementation. Given the changes to the Republic of Slovenia's security environment, particularly upon its entry into NATO and the EU, it would be necessary to evaluate the effects of the present organization and the substance of defence diplomacy, and to update and streamline it. Following the example of other Western European countries, individual regions or countries could fall under responsibility of defence attachés in the capital.

1.3 Starting points for further development of the Republic of Slovenia's defence policy

1. In developing and implementing the Republic of Slovenia's defence policy we take into consideration the needs and expectations of the Republic of Slovenia's citizens for the defence system to accomplish its missions and tasks in a transparent, expert, professional, rational, cost-effective and efficient manner.

2. The Republic of Slovenia's defence policy will take into account the reorientation of defence system capabilities' development from an autonomous and self-sustaining defence of the Republic of Slovenia's national territory to the defence system operation of Republic of Slovenia as part of the system of collective defence and collective security.

3. Within the system of collective defence we will adopt realistic and feasible commitments. The Republic of Slovenia's defence policy will shape the establishment of (influence on providing/assuring) conditions for consistent implementation of political commitments that the Republic of Slovenia has assumed or will assume as the member of NATO, the EU and other international organizations, including fair and equal burden sharing and responsibility for collective defence. This context also involves the preservation and strengthening of political and social consensus, according to which the membership of both NATO and the EU is the most appropriate way of ensuring the defence aspect of the Republic of Slovenia's security.

4. With the transition from a massive conscript to a smaller professional armed force, the Republic of Slovenia has firmly endorsed its reorientation to the collective defence concept. The aspects of structural professionalization completed so far will have to be additionally complemented by increasing the proportion of deployable forces, consolidating the voluntary contract reserve concept and intensifying the process of functional professionalization. The positive experiences of the Slovenian military tradition, including the development of the military strategic reserve concept, will also be respected and preserved, and upgraded as part of the necessary conceptual framework.

5. With the decreasing availability of personnel and particularly financial resources, the defence system is also confronted with a growing number of more complex and challenging tasks. The development of the defence system capabilities will be synchronized with the concept, organization and size of the system, and will reflect the requirements of responding to military and non-military sources of threat to national security, and of fulfilling the adopted international obligations. Focus will be given to the provision of key capabilities, readiness and usability of the Slovenian Armed Forces. At the same time, the development of appropriate non-military national capabilities for participation in IOM in crisis areas will be promoted and supported.

6. The forms and intensity of involvement of the Republic of Slovenia's capabilities in IOM will be in line with Slovenia's foreign policy interests and ambitions, and the available resources. The development of capabilities designated for participation in IOM will be based on a comprehensive civil-military approach, which will facilitate a more efficient exploitation of comparative national advantages. As part of Iarge active engagement in the IOM we will assume more responsibility, taking into account the fair and equal burden sharing.

7. The development of the Republic of Slovenia's defence capabilities will respect the principles of NATO and EU defence planning, and will focus on efficient accomplishment of mission and tasks of defence system in the national and international environments. It will be based on:
   - Adaptation of the size and structure of defence system capabilities in terms of the qualitative increase and simultaneous downsizing of their quantity to the reasonable minimum size of specific capabilities,
   - Reorientation of some unexploited or unnecessary capabilities, and related personnel and financial resources, to the priority areas of defence system,

- Selective specialization and priority list of capability development in line with the needs and resources of the Republic of Slovenia, primarily with the purpose of rational utilization of the increasingly limited resources, in particular financial,
- Appropriate equipping and training level that will, on the one hand, facilitate efficient conduct operation in various circumstances to the greatest extent possible, and, on the other hand, allow for the greatest protection and security members of defence forces in IOS ,
- Interoperability of capabilities as part of collective defence, and common security and defence policy of the EU,
- Improved operational interoperability of diverse defence system capabilities among themselves and other subsystems of the national security system of Republic of Slovenia.

8. Previous division of defence into military and civil defence no longer adequately reflects modern security environment and needs. More sensible and appropriate is the transformation of the established civil defence system that focused primarily on war preparations to a more comprehensive crisis management principles intended for managing crisis circumstances of various types and intensity. The knowledge about the importance and usability of classic components of civil defence designated primarily to support military defence in case of war will be preserved and developed in the future mainly in the context of the military strategic reserve concept.

9. Providing peace, security, stability and development in the international community requires intensified mutual coordination and cooperation between countries and non-state actors at various levels in a growing number of areas of social activity. The professional and other interested publics will, hence, be given the opportunity to participate appropriately in designing and development of planning documents concerning defence area with the purpose of achieving the widest possible social consensus possible about the further development of the Republic of Slovenia's defence system. The arguments about idealistic and utopian concepts should be avoided, and discussions should be led in the framework of political and social realism. In line with the changes to social environment, a modern strategy of cooperation with the civil society needs to be developed, particularly with the organizations and societies of special significance for defence.

2 SLOVENIAN ARMED FORCES

2.1 Introduction

In their 18 years of existence, the Slovenian Armed Forces (SAF) have experienced dynamic changes and the transition from a massive and conscript army to modern and professional armed forces. During this period, they have been successfully accomplishing their mission and tasks determined by law and deriving from international obligations adopted by the Republic of Slovenia.

The analyses conducted for the SAF in the period from 2004 to the end of 2008 show that previous development has been influenced by external and internal factors, such as: conformity and compliance of legal and normative acts, provision of the necessary resources for SAF operation and commitments of the Republic of Slovenia towards international organizations. The most important internal factors of development include the achieved level of training, the ability to adapt to new security circumstances and dynamics of change in contemporary military operations, and requirements concerning the generation of capabilities for an efficient armed force that is interoperable with alliances. The analysis has also shown that the attained level of support of the ministry administration during SAF transformation does not fulfil all the requirements of the development.

2.2 Conclusions of the Analysis

Conclusions indicate some discrepancies between individual normative acts defining the mission, tasks and operation of the SAF. Some inconsistency was also identified in labour legislation and normative acts concerning the defence area. Normative acts have not been consistently adjusted to changes in security environment and the requirements dictated by the NATO and EU membership, and the SAF professionalization process.

The integration of processes and functions projected in the latest applicable Medium-Term Defence Programme (SOPR) has not been fully implemented. The analysis has also exposed non-compliance of strategic documents guiding the development of the SAF.

Table shows the size of the permanent structure as planned in the Resolution on the General Long-Term Programme of SAF Development and Equipping (ReSDPROSV), in comparison with forecasts in the document Medium-Term Defence Programme (SOPR) for the period 2007–2012. Table 1 depicts the situation planned in the years 2008, 2009 and 2010. The resolution envisaged a gradual growth of SAF manpower: the internal structure plans anticipated the reduction of officers and the growing number of soldiers, while according to SOPR the number of officers is rising and the number of soldiers and non-commissioned officers decreasing, and a new special category of military personnel is being introduced (junior special category of military servants – NVU and senior special category of military servants – VVU).

Category	ReSDPROSV 2015				SOPR 2007–2012		
Year	**2008**	**2009**	**2010**		**2008**	**2009**	**2010**
Military personnel	**7,500**	**7,750**	**8,000**		**7,563**	**7,852**	**8,180**
Officers	1,160	1,100	1,000		1,250	1,230	1,200
VVU					200	180	170
Non-commissioned officers	2,000	2,000	2,000		1,840	1,860	1,900
NVU					400	350	300
Soldiers	4,340	4,650	5,000		3,873	4,232	4,610
Civilians	500	500	500		437	398	320
Permanent structure total	**8,000**	**8,250**	**8,500**		**8,000**	**8,250**	**8,500**
Voluntary contract reserve total	**3,800**	**4,650**	**5,500**		**2,600**	**3,600**	**5,500**
Total	**11,800**	**13,000**	**14,000**		**10,600**	**11,850**	**14,000**

Table 1: Comparison of planned size of permanent structure according to Resolution on General Long-term procurement Plan of the SAF *and DSSR.*

In the previous period the SAF recruitment dynamics slowed down. At the end of 2008 there was a shortage of professional soldiers, while the situation with the contract reserve was satisfactory.

Table 2 shows the development, planned and actual SAF recruitment dynamics and the planned projection of employments at the end of the year 2009.

Status	ReSDPROSV for the year 2008	Personnel plan for the year 2008	Actual status of employments 31. 12. 2008	Projected employments 31. 12. 2009
PERMANENT STRUCTURE				
Officers	1,160	1,255	1,233	1,141
Non-commissioned officers	2,000	1,840	1,861	1,858
Soldiers	4,340	2,889	2,671	3,163
VVU	Not projected	242	272	304
NVU	Not projected	458	481	497
Civilians (STD)	500	416	493	519
Civilians (URAD)	Not projected	Not projected	22	16
PERMANENT STRUCTURE TOTAL	**8,000**	**7,100**	**7,033**	**7,498* (7,600)**
VOLUNTARY CONTRACT RESERVE				
Officers	237	56	38	35
Non-commissioned officers	711	167	89	80
Soldiers	2,852	1,931	1,780	1,667
VVU	0	23	7	7
NVU	0	23	12	11
VOLUNTARY CONTRACT RESERVE TOTAL	**3,800**	**2,200**	**1,926**	**1,800**
TOTAL in SAF	**11,800**	**9,300**	**8,959**	**9,298**

Table 2: Comparison between the planned and actual number of employments in SAF.[1]

The past development and transformation of the SAF were significantly affected by the following elements: absence of integral personnel policy, reduced funding, consideration of the assumed commitments, incomplete integration of processes and functions in the entire defence system, unbalanced organizational structure, and fragmentation of capabilities.

The situation analysis in the area of personnel has indicated the necessity to develop a comprehensive personnel policy which will have a stimulating effect on recruitment and retention of personnel. Substantial efforts should be put into establishing the appropriate ratio between officers, non-commissioned officers and soldiers, and the balance between the number of high-ranking officers and the new SAF structure. The planning and establishing of appropriate quantity relationships among military personnel and the relationship between the status of military and civilian personnel are among the key factors affecting the development of basic capabilities for the attainment, maintenance and improvement of operational capabilities and accomplishment of the basic SAF tasks. The reason for introducing a special category of military servants into the SAF was to increase its competitiveness in labour market and attract specific expert profiles. In the future, the employment of this personnel

[1] Up to mid September 2009, the SAF manpower increased by 497 service members. The actual state of employment as of 14. 9. 2009 shows that the number of officers in the SAF structure increased by 10 (to 1,243), the number of non-commissioned officers by 137 (to 1,998), and the number of soldiers by 268 (to 2,.939). The SAF employs 49 more persons from a special category of military personnel (303 senior and 499 junior) and 39 civilians (currently 532). The number of civilians decreased by 6 persons.

category will have to be given special attention, whereas transition from the soldier, non-commissioned officer and officer categories to special category of military personnel will be allowed only exceptionally.

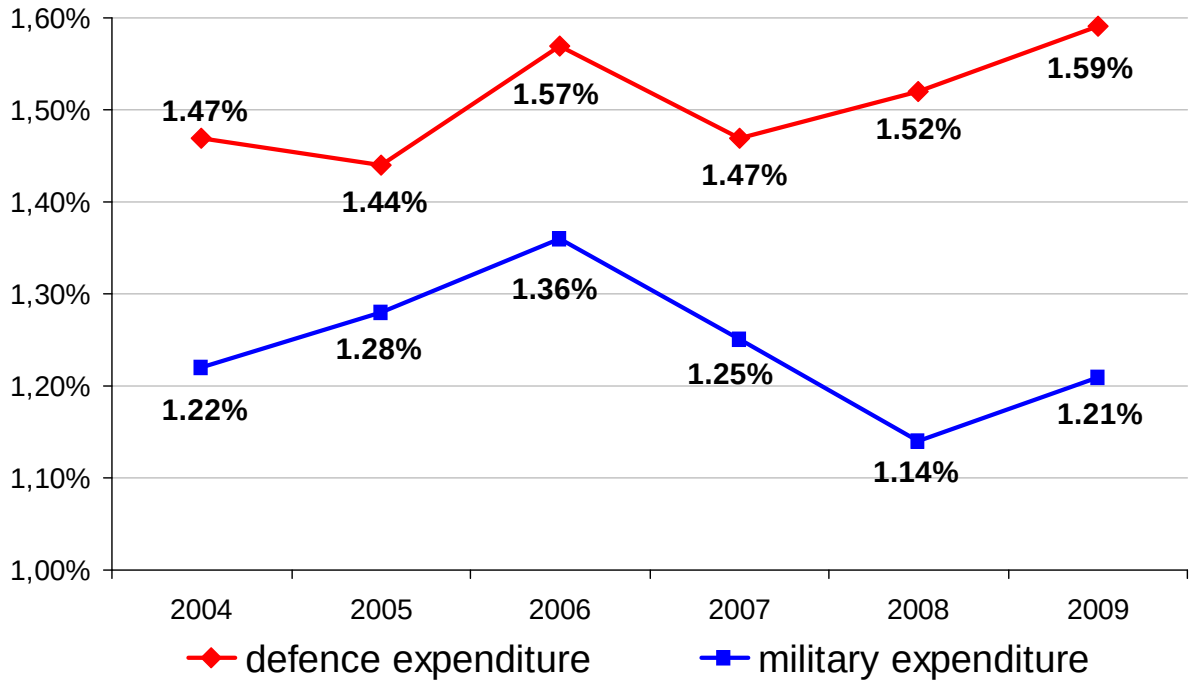
Improvements will have to be made in the recruitment process of new employees, and some measures will have to be taken to retain the existing personnel. One of the measures should also involve improved comprehensive care for SAF service members and their family members. Employment of military personnel is closely linked with the social and economic situation. As SAF recruits its personnel also in the labour market, it should also consider the trends and effects shaping this market. It also needs to take account of demographic factors that will not be favourable for the SAF in the future. Retirement as a foreseeable element of personnel planning makes up one fourth of SAF employment terminations. As a result of retirement trends, termination of employment in SAF will significantly increase after the year 2013 and will be rising annually.

The first half of 2009 saw an increased interest in the military service, most likely because of the growing unemployment rate and the consequent shortage of jobs in other fields.

SRDS 2009 also found that it is necessary to create a comprehensive policy of military education and training development (MET). New solutions in the future resulting from the development and reflection of needs for a differently organized MET will have to be based on SAF development vision and specification of development goals that will be followed by normative and organizational regulation of the area. The further development of MET should be focused on the integration with public education so that a consistent training model for military professionals can be created, also allowing transition from the military to civilian professional sphere. The appropriate evaluation of knowledge and qualifications of participants should be provided through continued monitoring of the programme quality and results of the MET process.

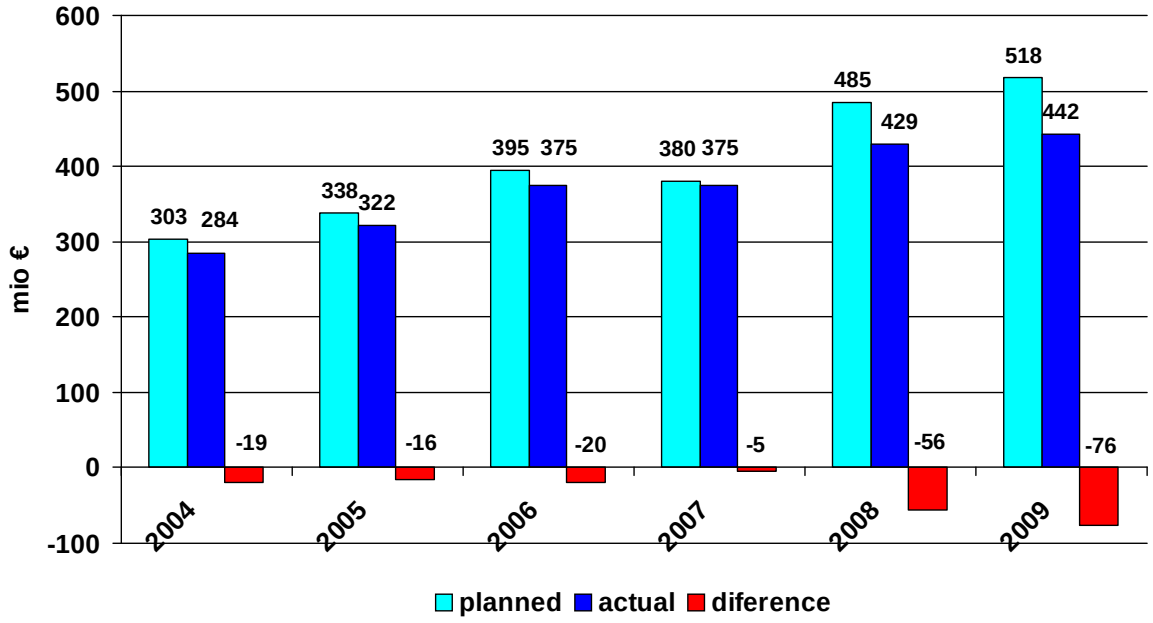
The project of introducing military profession should be concluded, the existing education and training programmes restructured and some new complex training programmes implemented to provide professional soldiers with the military professional expertise and qualifications they need for current and future operations.

With transition to a professional armed force and entry into NATO, the Republic of Slovenia took on specific commitments. The planning assumptions for the provision of financial resources forecast defence expenditure at 2 % of GDP, although defence spending eventually reached an average of 1.47 %, not exceeding the annual level of 1.6 % of GDP. Military expenditure includes resources to be used by the SAF for capability generation and operations in the national and international environments. Graph 1 depicts changes in the actual defence and military expenditure for the period 2004–2009.



Graph 1: Overview of defence and military expenditure during the period 2004–2009.

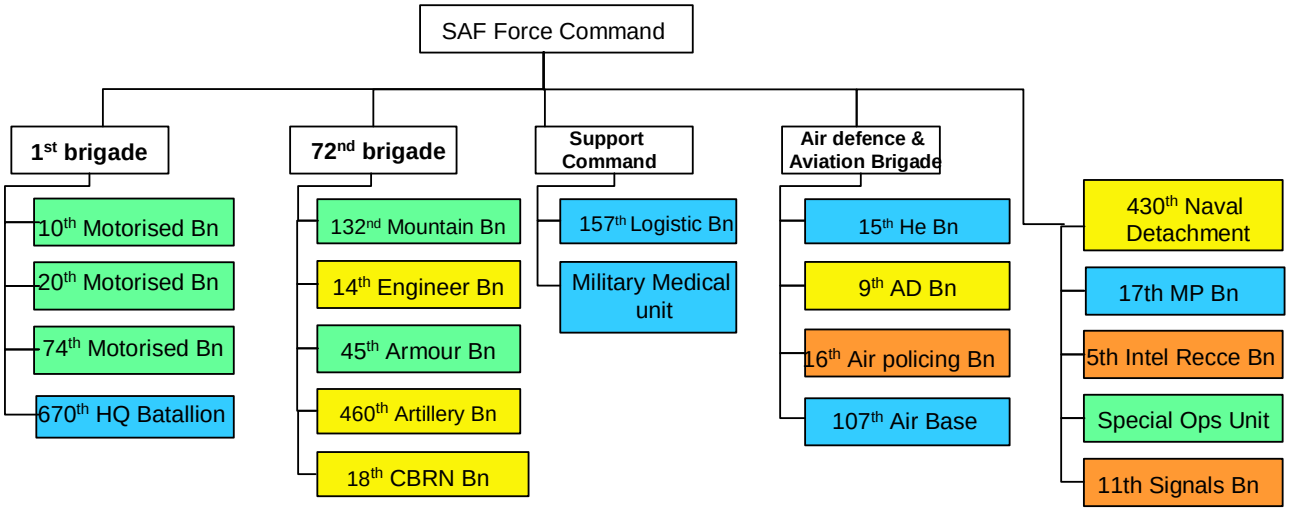
In the process of harmonizing force goals' capabilities, the alliance took account of the planned resources. Regular cuts in defence expenditure for the SAF has therefore resulted in the discrepancy between the realization of the adopted force goals on the one hand and the availability of resources needed for their implementation on the other hand. The reduction of resources affected mainly the actual volume of equipment procurement. Graph 2 shows the ratio between the planned and actual assets acquired by the SAF for the execution of planned activities. The planned military expenditure is the spending approved in the budget, while the actual expenditure refers to the real financial spending. The last column of the table for the year 2009 shows projections of the actual military spending following the second budget supplement..



Graph 2: Overview of the ratio between the planned and actual defence expenditure.

During the period in question, 61 % of defence expenditure were earmarked for SAF personnel, 20 % for operational cost, and 19 % for procurement and construction, including research and development funds. The structure of the funds spent shows that the target structure (50 : 30 : 20) as recommended by NATO was not attained.

The main deficiencies of the current SAF structure are its oversize dimension, a big number of commands, fragmentation and dispersion of capabilities, and an unbalanced organizational structure. The development of the SAF size and structure in the past typically involved the introduction of new units and elements without simultaneous reduction or exclusion of unnecessary parts. SAF units differ in their purpose, tasks, organization, level of manning and equipment; there are units existing in the SAF structure that exceed SAF requirements, and units not contributing to the generation of deployable capabilities, while certain units possess minimum operational capabilities. Table 3 shows the structure and ratio between combat and other SAF capabilities.



Batallion	Total	Combat	Combat Support	Combat Service Support	C2 Support
Number	**20**	**6**	**5**	**6**	**3**
%	**100**	**26**	**26**	**32**	**16**

Table 3: Structure and ratio between SAF capabilities.

The obligation assumed by the Republic of Slovenia and the function the Republic of Slovenia's air space surveillance as part of NATO integrated air defence system has been successfully fulfilled by the interim solution within NATO.

The planned construction of airfield facilities is progressing according to the project, and similarly the modernization and equipping of helicopters, although to a limited extent. The procurement of transport aircraft has not been realized though.

SAF has one navy unit. In the establishment phase is the Operations Control and Monitoring Centre for territorial waters, which will be integrated in the common maritime operational picture capability as required by NATO.

The organization and the role of the military territorial component need to be reorganized as a follow-up to SAF professionalization and exclusion of compulsory reserve from the SAF.

The category of contract reservists needs to be redefined and its method of complementing the structure of professional units specified.

In the area of integration in the Alliance, a number of logistic activities and procurement of combat service support equipment took place during the previous period. Significant efforts were put into streamlining the operations. The analysis indicated the need for specific concentration of infrastructure, improvement of unit supply in international operations and centralized supplies of ammunition for operations and training of SAF units in Slovenia and abroad. Some services and other activities should be provided through outsourcing.

The integration of processes facilitating efficient intelligence, counterintelligence and security support at strategic, operational and tactical levels in real time will represent a key challenge for the SAF in the intelligence and security area. Activities in individual intelligence disciplines will have to be upgraded, and capabilities, equipment and personnel potential will have to be streamlined and optimized.

The management of fixed communications and information infrastructure will have to be likewise improved and the appropriate level of communications and information services for users in all SAF units will have to be provided.

2.3 Measures resulting from the analysis

Based on analysis conclusions, the GSSAF identified specific long-term measures in the following areas: SAF size and structure, personnel, command and control, logistics, intelligence and security activity, communications and information system, and military education and training. Short-term measures are focused on balancing the existing SAF size and structure, and personnel consolidation. They also involve transformation of territorial commands and disbanding of compulsory reserve and territorial force units.

Long-term measures will provide additional conditions for the improvement of functional SAF professionalism and better conditions for the implementation of force goals. The measures will allow for harmonization of unit formations, systemization of duties in line with the planned manpower of 10,000 SAF service members, and better transparency of personnel procedures and processes. It is expected that the operation of functional areas will be more efficient and that the quality of the organization and execution of military education and training will improve (MET).

By the beginning of the year 2010, the compulsory reserve will be excluded from the SAF manpower and structure in accordance with legal provisions. Military territorial commands will be transformed so as to allow better centralization of logistic support and infrastructure management. Administrations of SAF military posts will be established to this end.

The planned SAF size and structure will be adjusted to 10,000 service members. The focus of personnel manning is the units tasked with the implementation of force goals concerning capability development, readiness forces and deployable forces of the 1st SAF Brigade.

The area of personnel will undergo consolidation. Phase one will deal with harmonization of classification of duties with that in the units, and harmonization of formation duties. The process of increasing the number of a special category of military servants beyond the criteria for the requirements of specific profile experts is being suspended. The transition of soldiers, non-commissioned officers and officers to the status of special category or military personnel has been stopped. Short-term measures in the personnel area also include the development of a comprehensive personnel policy and the identification of personnel needs in relation to the system of military education and training.

Measures concerning command and control will be mainly directed at the conclusion of the SAF integration in the Alliance and the improvement of strategic planning, with special focus on the development of strategic communications and information knowledge management.

Short-term logistics-related measures focus on the preparation and amendments of normative acts facilitating logistic support of units in the Republic of Slovenia and abroad, as well as on transformation of the established organization of spatial logistic operations. These measures will facilitate better operation of storehouses and relieve logistic units of facility protection. Specific measures will be taken for ROLE-2LM to attain the final operational capability and classification among NATO certified units.

In the area of intelligence and security, measures will be taken to allow for gradual functional integration of intelligence and security capabilities of the Ministry of Defence.

Short-term measures concerning the development and operation of communications and information system prioritize the centralization of specific services provided by the 11th Signals Battalion. Activities will be carried out to facilitate gradual integration of communications, information, navigation, and identification systems and sensors. Special attention will be dedicated to streamlining the use of communications and information infrastructure.

Short-term measures concerning education and training are intended for the transformation of the command and control structure of the Doctrine, Development, Education and Training Command (DDETC). The planning of education and training should be stabilized, taking into account the capacity of the existing system. More attention will be dedicated to selection of staff responsible for military education and training. The concept of military education and training will be supplemented, and its programming and control of its execution quality improved.

With reference to cooperation and support of protection, rescue and relief operations, the SAF will ensure: appropriate readiness and response level of the SAF helicopter unit, interoperability of the 18th CBRN Defence Battalion capabilities for the identification of hazardous materials and radiological reconnaissance with civilian means, cooperation of the SAF veterinary service in Civil Protection preparations, contacts between the SAF psychological service and civilian psychologists for psychological support to the population during disasters, participation of the 670th Logistic Battalion and 14th Engineer Battalion capabilities in case of major natural disasters, liaison between the 430th Navy Detachment and Civil Protection units and the underwater rescue service.

In the first part of analysis, GSSAF also identified long-term measures linked with the amended umbrella legislation and normative documents determining SAF development and operation, and approved a new strategic programme and planning documents. The most important long-term measures are: development of comprehensive personnel policy, establishment of efficient and professional personnel management, design of career paths for SAF service members, implementation of comprehensive care for SAF service members, execution of efficient command and control including the downsizing, merging and transformation of current commands, ensuring attainment of SAF key capabilities despite reduced funding, optimization and concentration in the use of infrastructure, integration of communications and information system resources, design of comprehensive education and training policy and provision of conditions for its implementation, and adjustment of civil-military cooperation to the new strategic situation.

2.4 Starting points for further SAF development

The further SAF development and planning of changes will have to be based on a thorough analysis of defence-related needs and capabilities of the Slovenian state. The substance and intensity of development should reflect changes to the international security environment, new security challenges, risks and sources of threat. Attention should also be given to innovative concepts, doctrines, and efforts to generate the capabilities providing an efficient armed force interoperable with the alliances.

The development of SAF capabilities will have to ensure the provision of the Republic of Slovenia's defence capability within the framework of collective security and, under certain conditions, also autonomous national defence, and active integration and participation in multinational operations. This will allow the SAF to contribute to security of the Republic of Slovenia in the international community, and to strengthen its international reputation and position.

The SAF mission will continue to be the deterrence of military aggression on the Republic of Slovenia in cooperation with allies, contribution to international peace and stability within and beyond Alliance boundaries, and support to government bodies and public institutions in ensuring security and the well-being of citizens.

The SAF will continue developing as a land force with elements of air and navy components. Specific critical capabilities will not be developed autonomously, but rather within the Alliance or as part of bilateral and multilateral agreements with partner countries.

The basic SAF capability will include combat forces that will, together with combat support and combat service support units, conduct combined arms operations of brigade level units on the territory of the Republic of Slovenia and of the battalion battlegroup beyond national borders.

Joint operations of the SAF forces will be conducted only within alliances. Capabilities for combat support and combat service support will be organized and developed in the range appropriate for support and sustainment of combat forces, execution of specific tasks within the national framework, and commitments in the alliances to be assumed by the Republic of Slovenia in accordance with the principle of proportionate burden sharing.

The generation of future SAF helicopter capabilities will enable the execution of search and rescue tasks, air medevac, and specific tasks related to the system of protection against natural and other disasters. Part of helicopter and aircraft assets will be deployable for operations within alliances, and multinational operations and missions.

In the future, naval capabilities will also have to be reorganized to enable their inclusion into the integrated coast defence, continued surveillance and control of territorial waters, and implementation of protection and rescue tasks.

Contract reservists will augment and replace the permanent structure during unit consolidation, and education and training assignments, and will also participate in education and training programmes. They will become permanent components of multinational operations and missions, with their training level becoming comparable to that of professional soldiers.

Efforts will have to be put into the concentration of military infrastructure facilities and disbanding of unnecessary locations. Medical care services will maintain intensive contacts with civilian institutions and professional expertise level of the military medical personnel.

The gradual technological equipping and systematic training of personnel will help upgrade the capabilities of military intelligence and security support for the Slovenian Armed Forces.

The SAF will develop operational capabilities to ensure: timely availability of forces, efficient operation, efficient command, control and communications system, efficient intelligence support, deployability and mobility, survival and protection of forces, and logistic sustainability so as to maintain the character of the military and its ability for efficient implementation of tasks concerning national defence and tasks within alliances.

The basic starting point for capability generation will hence be the provision of trained forces for SAF participation in the national context (national defence, and protection and rescue) as well as in international environment under the auspices of NATO, the EU and other international organizations. SAF priorities will involve development of capabilities enabling the accomplishment of its mission, tasks determined by law and implementation of national interests. The SAF will continue to play an important role in supporting civilian and search and rescue capabilities during major disasters. The SAF force goals will have to be again analysed, redefined and harmonized with the General Long-Term Development and Equipment Programme and available resources.

2.5 Conclusion

The SAF transformation and development should follow the set goals, and at the same time take into consideration the needs and capabilities of Slovenia as a state. Development priorities will have to be adapted to the available resources and conditions ensured for the SAF to fulfil its basic mission and key tasks in a comprehensive and efficient manner, and to conduct joint operations with Alliance’s armed forces.

SRDS 2009 has undoubtedly indicated the need for changes in the SAF, the implementation of which is listed as priority activities.

The scope of participation in multinational operations and missions will have to be determined for the Republic of Slovenia to retain its status of a credible ally and to enable the implementation of its national security interests. The existing SAF capabilities, the principle of economy (lower dispersion and greater concentration of units in a smaller number of crisis areas, personnel rotations on equipment), the principle of maintaining a single set of capabilities over longer periods of time and the augmentation of forces with contract reservists will have to be taken into consideration.

The development of combat capabilities making up the nucleus for the generation of battlegroups and other combat support and combat service support capabilities should be ensured. The definition of priorities for the development of other capabilities should consider

the fact that capabilities facilitate the execution of military tasks, increase force protection and survival, and support command and control.

The planned capabilities that cannot be provided as a result of the changed economic situation should be re-defined and/or their development schedule should be re-evaluated. Considerations should focus on the range of specific capabilities currently exceeding SAF requirements, and on the rationality of retaining specific capabilities or their inclusion in the integrated system with other government bodies.

It is necessary to amend legal and other normative documents determining SAF development, operation, size and structure, and to eliminate discrepancies between general and defence-related legislation. The legislation in defence area should regulate the specifics of service in the SAF so that general regulations will not be needed. SAF service members should be excluded from the system of public employees. It is necessary to determine a uniform SAF mission and tasks in all legislative, planning and programme documents specifying SAF development and operation. Detailed regulation should focus on the employment of SAF forces and the relevant criteria, exclusion of civilian personnel from the SAF structure, transition between the permanent structure and the contract reserve, and specification of the status of contract reservists performing international duties.

Requirements also involve the development of comprehensive personnel policy and continuation of career path development for SAF service members.

In order to achieve the target size of the SAF, personnel recruitment and retention processes used so far should be reorganized and upgraded, and the entry and exit criteria should be analyzed so that a greater flexibility of personnel structure and the augmentation of the target population with new categories of personnel will be possible.

The transformation is characterized by renovation. Hence, adaptation processes from the past will have to aim at the processes facilitating the renovation of the Slovenian Armed Forces in the future.

3 SYSTEM OF PROTECTION AGAINST NATURAL AND OTHER DISASTERS

3.1 Introduction

Protection against natural and other disasters (PNOD) comprises the protection of people, animals, property, cultural heritage and environment against natural and other disasters. Its aim is to reduce the number of disasters and to forestall or reduce the number of casualties and other consequences of such disasters. As a unified and integral system, it is organized by the state, the municipalities and other self-governed local communities.

The mission of the system of protection against natural and other disaster is to reduce the number of disasters and to forestall or mitigate their consequences through a preventive approach as well as, in the event of disasters, to protect people, animals, property, cultural heritage and the environment against destruction, damage and other consequences. The system operates in peace as well as during crises situations, state of emergency and war.
Tasks concerning protection against natural and other disasters, falling under the responsibility of the state, are carried out by the Administration of the Republic of Slovenia for Civil Protection and Disaster Relief (ACPDR), other ministries and governmental services. Municipalities are responsible for implementation of protective measures against natural and other disasters in their area in line with the Protection against Natural and Other Disasters Act.
The ACPDR is a constituent body of the Ministry of Defence, which performs administrative and professional tasks, such as organising, preparing and implementing protection against natural and other disasters. Furthermore, it is responsible for coordinating administrative and professional tasks concerning protection, rescue and relief, which also involve all other competent ministries.

Principle tasks of the ACPDR are:

- To cooperate and coordinate with ministries responsible for various working areas.
- To establish and manage the ZARE radio communications system (42 repeaters and 55 digital base stations, 1,563 JA sirens, 9,000 radio stations and 18,000 pagers).
- To establish, maintain and manage the information system for notification centres and ACPDR employees (more than 20 applications of different complexity, among which the GIS Ujma is the most significant system comprising 127 data layers in 21 groups).
- To take preventive measures in the area of fire protection and protection against drowning (approval of fire protection studies for complex facilities and opinions regarding spatial planning acts (2,135 applications in 2008), fire extinguisher maintenance authority, implementation of protection against fire, testing of hydrant networks, inspection and testing of installed fire protection systems as well as fire protection training (a total of more than 760 administrative procedures in 2008), and to perform approximately 150 qualification exams and tests for under-water rescuers.
- To harmonise civil emergency plans at all planning levels (54 at the state and 201 at the regional level).
- To participate in emergency response operations (counseling, coordination and, if required, field operations) in 3,500 to 5,000 major disasters a year and to monitor (information system for reporting emergency response operations and disasters - SPIN, reports, analyses) 13,000 to 15,000 minor emergency response operations.
- To conclude contracts and monitor contract implementation with more than 75 players who participate in protection, rescue and relief.
- To recruit, deploy, train and equip members of civil protection units at the state and regional levels (197 at the state and 1,451 at the regional level).

- To assist and counsel municipalities in force generation and during the preparation of emergency response plans.
- To conclude contracts with assessors of natural disaster damage (approximately 100 per year), to assess damage (we are responsible for state and regional damage assessment committees, municipal committees are appointed by mayors).
- To prepare procurement proposals including all equipment specifications for national and commodity reserves as well as equipment for civil protection units and services.
- To prepare legal documents falling under our responsibility and harmonise them during the coordination process (ministries, Association of Municipalities and Towns of Slovenia, Union of Municipalities and Towns of Slovenia as well as other competent bodies and organisations).

3.2 Conclusions and measures concerning organisation, CIS and protection and rescue plans

- The performance of preventive measures is to be improved, especially those outside the MoD's competence,[1] and the ACPDR's role as a national coordinator is to be considered not only for protection, rescue and relief, but primarily for the area of prevention. [2]At the same time, resources and methods should be considered that could enhance the above-mentioned responsibilities of the ACPDR.
- It is necessary to adapt organisational, technical, personnel, financial and functional solutions of transferring tasks from the area of protection against natural and other disasters to newly established provinces with regard to the number of provinces that will be established. [3] Regarding the protection against natural and other disasters, the number of provinces to be established should vary between 8 and 14, with taking into account the geographic area.
- The system of protection against natural and other disasters is not adequately organised or established in certain local communities (particularly in smaller and newly established communities). This reflects a major problem for the development and operation of the system as a whole. After Slovenia had gained independence, the total number of municipalities grew to 210. However, it is anticipated that additional municipalities will be established. [4]
- The Financing of Municipalities Act should stipulate the percentage of an appropriate spending of municipal budget funds for financing the protection against natural and other disasters in relation to the assessment of threats imposed by natural and other disasters. All such attempts have failed so far.
- Completion of project of taking over and reconstructing the public warning system with the ZARE DMR communication network at local level, which is demanding from both an organisational and financial point of view.
- The provision of appropriate systematic solutions for radio network training, including the introduction of the terrestrial trunking radio system (TETRA system).
- The introduction of new technological and systematic solutions which will allow (1) emergency text or video calls, a comprehensive support to the operation of first aid

[1] This finding is based on the principle of legal responsibility, stating that each ministry is responsible for preventive measures and preparedness in its area of competence for operations during natural and other disasters.

[2] Preventive measures, except in the area of protection against fire and protection against drowning, fall now under the responsibility of other ministries.

[3] In the context of preparing for the establishment of provinces, we carried out preparations for transferring competences and personnel to the provinces in the event of forming 13 or 14 provinces. The greatest challenge in terms of organising the ACPDR is how to adapt to the establishment of a number of provinces up or down from those 13 and 14 mentioned above.

[4] Preparations, organisation, equipment and training of rescue units were not adapted to the breakdown of the municipal system.

services[5], (2) the monitoring of precipitation and the establishment of a flood alarm video surveillance system, (3) data exchange between the Traffic Information Centre and notification centres on the traffic situation and roadblocks caused by consequences of natural and other disasters as well as (4) the monitoring of environmental pollution.
- The correction of deficiencies of national plans which are a result of deficient activity plans, annexes and appendices under the responsibility of individual ministries and governmental agencies.[6]
- The encouragement of all bodies responsible for preparing protection and rescue plans to establish an appropriate organisation and personnel manning as well as the provision of professional support.

The backbone of the monitoring, notification and warning system is the Notification Centre of the Republic of Slovenia (NCRS) as well as 13 regional notification centres (ReNC), which are responsible for receiving calls, activating forces as well as notifying and warning upon receiving 112 calls (the European emergency number).

All national protection and rescue plans were modified in the period 2004 to 2007 based on a new ordinance on the content and preparation of emergency response plans. Plans were also modified taking into account experience gained during disasters and during protection, rescue and relief exercises.

Forces responsible for carrying out protection, rescue and relief assignments during natural and other disasters are a vital part of the system of protection against natural and other disasters. Protection, rescue and relief forces are organised by local communities, the state and certain companies, in relation to the risk of their activity they carry out. All protection, rescue and relief forces are combined in a uniform system. The organisation, equipment and training of members of protection, rescue and relief forces falls under the responsibility of those who established these units.

In order to improve efficiency and economy, it is necessary to constantly adapt the organization, structure and scope of protection, rescue and relief forces to new threats, such as acts of terrorism, climate change as well as related new forms of natural and other disasters.

The following estimations regarding key challenges and dilemmas of individual rescue services do not necessarily reflect the opinion of individual rescue services.

3.3 Conclusions and measures concerning rescue services

[5] The problem is that this part of public health care system is isolated and characterised by sectoral orientation, developing different solutions in the context of health care centres and regional hospitals.

[6] The deficiencies have still not been eliminated despite a number of decisions made by the RS Government to impose their additional preparation. To a large extent, this is a result of inadequate manning and organisation of the above mentioned bodies. The operation of the SAF participating in rescue and disaster relief is defined in plans for various events of natural disasters (UJMA plans), which, however, should be simplified and unified.

3.3.1 Fire-fighting service[7], other rescue services and Civil Protection

- To reduce an unbalanced development or coverage (number of fire-fighting units) of the eastern and western parts of Slovenia by taking a variety of initiatives.
- To continue the arrangement of the status of volunteer fire-fighters and other volunteer rescuers, particularly in the light of possible stimulations in the taxation and insurance system (employers) as well as in the planned establishment of volunteer work.
- To encourage an adjustment of technical and organizational solutions for the operation of fire-fighting units ('standby' duties on pagers, permanent availability, etc.), so that these absences will least burden the employers of volunteers.
- To complete and harmonise the categorisation of fire-fighting units at the state level as well as to systematically examine whether criteria are met during field operations.
- To prepare the fire-fighting system for the establishment of provinces and adapt the organisation of regional fire-fighting associations to the number of provinces.
- To form an optimal proportion between the professional and volunteer part of the Mountain Rescue Association of Slovenia, taking into account its interoperability with the Slovenian Armed Forces, the health care system and the Police[8] (the Mountain Rescue Service).
- To consolidate the services in terms of organization and personnel, such as rescue service units, in which, currently, too much emphasis is given to different partial interests (Cave Rescue Service).
- To cover the lower Sava River with an accumulation system which is developed through building a chain of electric power plants and purchasing sophisticated parts of equipment (hovercraft, capable of travelling in various conditions, hyperbaric chamber in cooperation with the SAF). (Underwater Rescue Service)
- To provide better equipment for the unit, that is highly trained and serves for a variety of purposes. (Protection, rescue and relief unit for chlorine accidents, IRE - KLOR)
- To train the unit for rescue operations in longer motorway and railway tunnels as well as to integrate it into international relief forces. (Unit for protection and rescue in the event of a mining accident – Velenje Coal Mine)
- To step up the development of capabilities and to equip units and experts for field operations. (Institute for Microbiology and Immunology – IMI MF, the Jožef Stefan Institute – IJS, Ecological Laboratory with a Mobile Unit - ELME, Mobile Unit of the Ecological Laboratory – MEEL, National Institute of Biology – NIB, Institute for Microbiology and Parasitology IMP MF)
- To solve the issue of national tactical airlift for providing assistance to other countries, as we are now limited to road transportation which reduces the transportation range to a radius of approximately 500 km.
- To include the Police into the support and assistance provided for all rescue dog handlers, as a proportionally great number of search operations actually fall under their responsibility. (The Slovenian Kennel Club and the Rescue Dog Handlers' Association)
- To integrate or harmonise the doctrine on emergency medical assistance and the Slovenian Red Cross (RC) doctrine with regard to the area of first aid.
- To facilitate the operation of the RC Investigation Service in all circumstances, including large-scale disasters.
- To redefine the RC's role in providing supplies and accommodation to special categories of endangered population. (Slovenian Red Cross)

[7] It is organised as a local public service, whose continued and uninterrupted operation is granted by the municipalities and the state. There are more than 1,400 active fire-fighter units in Slovenia, of which approximately 100 are industrial. The territorial fire-fighter units, of which 15 are professional units, comprise more than 60,000 volunteer fire-fighters and 600 professional fire-fighters.

[8] The professional part is composed of aviation and, chiefly, medical personnel. A solution should be found which would not have a negative impact on the operation of the entire mountain rescue service and demoralise the volunteers.

- To establish a new organizational and formational structure at all levels, taking into consideration actual requirements and effective opportunities.
- To establish, in the event of large-scale disasters, psychological support for affected population as well as for emergency response personnel according to planned steps.
- To eliminate deficient training and equipment of some municipal units, bodies and services providing protection, rescue and relief.
- To include social welfare centres (CSD) in the provision of various types of assistance to threatened population in the area of a disaster.

3.3.2 Participation of the SAF in protection, rescue and disaster relief

Cooperation with the Slovenian Armed Forces is of key importance for the system of protection against natural and other disasters. In order to improve the preparedness for disasters and to ensure the relevant response, it is necessary to improve the cooperation in the area of equipment procurement, that is for dual purpose equipment used by various structures of both subsystems as well as to up-grade and update certain training programmes and adapt them to military structures, which might participate in protection, rescue and relief. The next challenges we are currently dealing with are those in the area of civil protection and disaster relief. These challenges reflect a substantial step forward towards an increased participation of the Slovenian Armed Forces in protection, rescue and relief:

- To improve the manning of helicopter crews, in particular for Bell 412 helicopters, so that each crew would include an aviation technician trained for operating an electrical windlass.
- To increase personnel capabilities in the area of health care and to man ROLE 2LM which could be employed in the event of major disasters in Slovenia, and, if required, augmented by a casualty staging unit of the Civil Protection ROLE 2.
- To include, by employing on-duty teams during working hours, laboratory capabilities and identification vehicles of the 18th CBRN Defence Battalion (light NBC 4 x 4 reconnaissance vehicles) in the identification of hazardous substances during disasters involving such substances.
- To integrate the capabilities of the 18th CBRN Defence Battalion with civil capabilities (ELME, MEEL, the Ljubljana Institute of Occupational Safety) and (regional) Civil Protection NBC units and to integrate them into the radiological reconnaissance system in various parts of the national territory.
- To include the capabilities of the military veterinary service in the preparations of Civil Protection and fire-fighting units for controlling sources of infectious animal diseases (bird flu, etc.).
- To use capabilities of the SAF psychological service in cooperation with civilian psychologists to provide psychological care for the affected population as well as for emergency response personnel in the event of major disasters.
- To envisage the use of 670th Logistics Battalion capabilities (laundry room, bathroom, kitchen, provision of potable water, etc.) in the event of major disasters.
- To adapt manning, equipment and training of the engineer battalion for response operations for various rigors of weather (cleaning and reestablishing trafficability of traffic roads, removing mud layers, sediments, etc.)
- To integrate the capabilities of the 430th Naval Detachment, divers and hyperbaric chamber with the underwater rescue service and the Civil Protection technical diving units.
- To expand the use of SAF members for rescuing during weather-related and other disasters, however, not to regard them as a cheap labour force as it is often expected by the public or municipalities.

More attention should be paid to the implementation of preventive measures at the ministerial or sub-ministerial level. Particular emphasis should be given to the systematic development of preventive organisational measures of fire protection and protection against drowning which are under the responsibility of the MoD.

3.3.3 Prevention, damage assessment and national reserves for the event of disasters

- To prevent construction works in the areas threatened by torrents and other types of floods (high level of groundwater).
- To raise the awareness of municipal bodies for the significance of prevention when planning the development affecting a certain area, especially by emphasizing the importance of wisely planning locations for new constructions.
- To enhance professional cooperation in the area of prevention with all ministries which are responsible for planning the development affecting a certain area.
- To step up preventive measures also in other areas as well as to warn about the threats and to define appropriate actions, including adequate education programmes at schools and other forms of education.
- To provide greater interoperability and participation of ministries through the government in planning and implementing preventive measures related to protection, rescue and relief in their area of responsibility.
- To informatise the damage assessment process from the issue of the decision on the beginning of a process up to the reports prepared for the RS Government.
- To upgrade the system of assessing the damage caused to agriculture with the purpose of unifying the assessment and organisation criteria.
- To provide sufficient funds for establishing national reserves and providing rescue equipment in sufficient quantities and meeting the requirements of the various types of disasters and new requirements which are caused by some disasters.
- To encourage municipalities (regions, provinces) to establish such reserves by themselves.

Damage assessment is an integral part of systematic solutions for recovering from the consequences caused by natural disasters. Other countries are not familiar with similar systems, but mainly focus on developing the role of the insurance system.

National reserves for events of natural and other disasters which are kept by the Administration of the Republic of Slovenia for Civil Protection and Disaster Relief are, in particular, protective resources and rescue equipment which is mainly used such as devices for producing electricity, water purification devices, resources for temporarily accommodating people and providing them with supplies, strategic stocks of fire-fighting resources as well as fire-fighting and environmental protection resources as well as resources for the protection against floods and other disasters.

3.4 Education and training

- To improve the preparedness of the population for responding to natural and other disasters.
- To introduce an optional subject related to protection against natural disasters and other disasters in primary school programmes, to train teachers and to prepare manuals for teachers for implementing the programme contents - optional subject and activity days.

- To introduce an optional subject referred to as Protection against natural and other disasters also in high school programmes in order to enhance the awareness of and familiarize the younger population with activities or protection against natural and other disasters.
- To establish conditions for implementing education and training programmes at the branch offices in Sežana and Pekre.
- To establish the Higher Professional Fire-fighting School.
- To develop new procedures in the practical training of protection and rescue forces during real-life training.
- To conduct comprehensive and real-life examinations of the readiness of various rescue services for conducting operations during disaster at local, regional and state level.

3.5 Research and development

It is necessary to provide all required funds for research and development in the area of protection against natural and other disasters, while the relation between these resources in the defence area and the area of protection against natural disasters should be clearly defined.

3.6 International cooperation

Slovenia's bilateral cooperation with all neighbouring and some key European countries (France, Germany and Sweden) is well-developed. Similarly, we provide our share in the development of systems for managing disasters in Western Balkan countries.

In the context of the EU, it is necessary to provide an active role in forming European policies related to civil protection and participation in key activities of civil protection mechanisms.

In the context of the UN, we have paid much attention in particular to the area of training. A key task in the future will be activities related to the implementation of the Hyogo Framework for Action 2005 – 2010, according to which it will be necessary to promote an adequate inter-ministerial cooperation.

Activities within NATO which refer to the area of protection against natural and other disaster have recently been reduced - even in the context of Slovenia's membership in the EU and the development of this area.

In the area of future international cooperation, it will be necessary:

- To clearly define the priority areas of international cooperation and to operate in an objective-oriented manner.
- To improve the information of the wider professional public on possibilities of acquiring EU funds and participating in EU projects.
- To provide for efficient cooperation and flow of information with the Ministry of Foreign Affairs, Ministry of the Interior and the Government Service for Development and European Affairs (also through the EU Portal) in the area of international ACPDR-related activities.
- To improve and increase, in cooperation with the SAF, the capabilities for an efficient international assistance, in particular for the airlift of rescue teams and humanitarian aid.

3.7 Personnel

The ACPDR currently employs 331 personnel members, of which 123 are employed at regional notification centres and 6 at the Emergency Notification Centre[9], 45 at the Education and Training Office[10], 102 at branch offices, whereas 55 employees mainly perform operational duties at the ACPDR headquarters.

Future tasks in the personnel area are:

- The mannning of all 13 regional notification centres and the Emergency Notification Centre of the Republic of Slovenia in the first phase and, hence, the achievement of the objective of 11 employees per centre. This would ensure a 24-hour operation of the centres. Workplaces of operators employed in notification centres should be exempt from the number of employees allowed by consolidated personnel plans.
- Due to a low number of employees at the operational area of protection against natural and other disasters, we have encountered major problems. Therefore, their number should be gradually increased by re-assigning the surplus personnel to the administrative part of the MoD. Personnel shortage could be solved by a thorough internal reorganisation of the ACPDR, as a future option also by rationalisation.

3.8 Finance

Protection against natural and other disasters is funded from the budget of the Republic of Slovenia, local communities, insurance fees, voluntary contributions, international assistants, resources made available by companies, institutes and other organisations as well as other sources.

The ACPDR as a constituent body of the MoD, is the direct budget user and provides for the statutory and timely financing of the system of protection against natural and other disasters.

Future tasks in the area of finance are:

- To provide sufficient funds for co-financing of societies and other non-governmental organisations and their operational protection, rescue and relief units as well as for carrying out tasks in this area.
- To implement decisions made by the Government of the Republic of Slovenia on providing extraordinary funds for natural and other disasters.
- To stop the trend of reducing funds allocated to civil protection and disaster relief in relation to the MoD budget, which decreased from 11 % in the 1990s to 5,8 % in 2009.

3.9 Starting points for further development

Basic development goals until 2025 concerning the area of protection against natural and other disasters are:

- To enforce the viewpoint that, when adopting statutory, organisational, technical and other arrangements and measures concerning individual activities, planning the use of space, constructing facilities and directing certain activities, preventive measures in the

[9] They process a total of more than 700,000 112 calls (European Emergency Number).
[10] They organise annual training for more than 17,000 members of protection, rescue and relief forces.

area of protection against natural and other disasters preventing disasters or their consequences are to be considered. Special attention will be paid to all activities related to adapting to the consequences caused by climate change and globalisation.

- To continue with the systematic increase of capabilities and monitoring networks for timely forecasting, detection and monitoring the hazard of natural and other disasters, especially the meteorological, hydrological and avalanche early warning systems, as well as wildfire early warning system and co-ordination of various systems for the detection of the occurrence of threats or disasters.
- To reorganise protection, rescue and relief forces on the national, regional and local levels, as well as companies, institutes and other organizations, based on the adopted new normative and other solutions, especially the reduction of the Civil Protection structure and the increase of its specialisation, the introduction of the Civil Protection contract service, the increase of fire-fighting service capacity for performing highly demanding emergency response operations, and with other rescue services for response to modern sources of threat.
- To further implement measures and activities for improving the general preparedness for natural and other disasters caused by modern sources of threat, climate changes, and for shortening the response times and gradual establishment of standards regarding the arrival of rescuers to the site of disaster.
- To upgrade the information and communication infrastructure for protection and relief, and of logistic centres, training facilities and other infrastructure capabilities, considering the adaptation of the system of protection against natural and other disasters to potential changes in the organization and functioning of local self-government.
- To update the organisation of certain rescue structures at the state level and increase their capabilities which is in line with the development of personnel, technical and other capabilities of the Slovenian Armed Forces.
- To upgrade the existing and prepare new training programmes with regard to sources of threat and changes in the area of organisation and equipping of protection, rescue and relief forces.
- To conduct research and development assignments and projects, with emphasis on the applicability of results in accordance with priority medium-term protection, rescue and relief programmes.
- To reorganize procurement in the system of protection against natural and other disasters, including a shortening of procedures in procuring resources and equipment which are required for eliminating consequences as well as for conducting activities related to protection, rescue and relief in the event of larger natural and other disasters.
- To encourage measures and activities which enhance protection as well as stimulate preventive and other protective measures.
- To conduct an analysis on the actual manning, equipment, training and availability of protection, rescue and relief capabilities at various levels of organization (local, regional, (provincial) and national)
- To form clear recommendations, based on risk assessment, on what and how many protection, rescue and relief capabilities (including equipment and training) are appropriate and reasonable to be organised in individual areas and for specific spheres of protection, rescue and relief, in order to promote efficiency by ensuring a coordinated performance of tasks and the cooperation of various structures throughout the territory of the Republic of Slovenia. This includes clear and unified recommendations on the optimal time for emergency response carried out by competent bodies in events of natural and other disasters in their area of operation.
- To establish a modern system of capability planning and monitoring the readiness of protection, rescue and relief forces for operating at the state level (rational national objectives regarding protection, rescue and relief forces capabilities should be determined).

- To clearly define, unify and centralise the role of the ACPDR in determining standards and conducting tasks related to protection against natural and other disasters. The ACPDR should become a national coordination body for preventive measures in the area of protection, rescue and relief.
- To ensure an optimal balance between volunteer and professional performance of protection, rescue and relief tasks or to determine how many specialised capabilities for protection, rescue and relief are actually needed at the state level. With regard to the growing requirements for high professionalism in performing some tasks in the area of protection against natural and other disasters, a plan proposal regarding the selective professionalisation of a part of the protection, rescue and relief capabilities should be prepared at all social organisational levels, in particular at management level, and should be evaluated in terms of required resources (finance, personnel, infrastructure, etc.).
- To achieve a necessary social consensus on a more balanced and stable way of financing the area of protection against natural and other disasters in local communities as well as to enact it, while ensuring a transparent system of using resources in accordance with agreed common goals in building-up protection, rescue and relief forces capabilities.
- To analyse, with the objective of rationalisation, the current regional organisation of the ACPDR (currently comprising 13 regional notification centres and ACPDR branch offices) and to prepare variants of proposals related to the new organisation or adapted these to the establishment of provinces.
- To allow a more efficient interoperability of SAF and protection and relief forces as well as a quicker and increased integration of SAF forces in the event of natural and other disasters.
- To provide regular training and training assessment of employees to work in the area of protection against natural and other disasters as well as to introduce a system of their certification for carrying out operational assignments.

4 CRISIS MANAGEMENT

4.1 Introduction

Contemporary Euro-Atlantic security environment is witnessing the diminishing significance of military threats and risks, although its boundaries, the immediate neighbourhood and areas around the world are still confronted with crisis areas that actually or potentially represent a specific military threat or risk.

On the other hand, non-military security threats and risks potentially causing extremely diverse crisis situations of regional, national and international dimension in terms of their substance and intensity are becoming increasingly important.

These threats can only be managed with a comprehensive crisis management concept that enables specific response preparations, and national response measures to the crisis situation. The uniform crisis response concept is generated through a horizontal and vertical combination of elements (subsystems) of the national security system in the pre-crisis, crisis and post-crisis period with the purpose of achieving optimum and flexible crisis response. In narrow terms it is comprised of government sectors, and in wider terms it can also include economic activity and some international, as well as non-governmental organizations.

4.2 Analysis conclusions

The established civil defence system of the Republic of Slovenia focused mainly on preparations for war, and should therefore be replaced with more updated and efficient conceptual and system-based solutions. Along with this, individual components of crisis response were developed in individual areas, but the process has not resulted in a comprehensive system solution.

4.3 Starting points for further development

- Owing to considerable changes to security environment, the established civil defence will now be transformed into a comprehensive crisis response management system focusing on preparations to address crisis situations of various types and intensity.

- In consideration of complexity and interdisplinarity of modern crises, the uniform system approach and guidance at the national level should be provided. This will not affect the original authority of government sectors and their internal organizational units, but rather allow for harmonized normative-legal solutions, uniform principles, mechanisms and measures, exchange of best practices and operational coordination in responding to crisis situations at the interagency and national levels, and in the international environment. Crisis management in the Republic of Slovenia includes crisis planning tasks, preparations for crisis response, analyses and response measures as well as post-crisis activity.

- From the system-wide perspective, crisis management is carried out at the national level and under the authority of individual ministries. Within the Ministry of Defence, we distinguish between crisis management in the area of protection against natural and other disasters (PNOD) and the area of defence.

- As part of the crisis management in the area of defence more attention will be dedicated to the development of civilian capabilities to support the Slovenian Armed Forces and allied forces, also taking into account a significant reduction of tasks related to national defence. At the same time, tasks concerning the system-guided crisis management at the national level will be carried out. New tasks will refer to protection plans for critical infrastructure, plans for NATO crisis response measures as part of preparations for the provision of readiness measures, establishment of data bases and links during crisis operations, and participation of civilian functional experts and civilian capabilities in international operations and missions.

- Defence crisis planning will be updated and rationalized or adapted to the actual security threats and risks. At the same time, the crisis management concept in defence area will retain the essential conceptual basis that will facilitate the establishment and operation of civil defence system components in real time in case of significant deterioration of security situation in defence area, imminent military threats, and activation of the military strategic reserve.

- In addition to comprehensive support to national leadership in crisis situations, special attention will be given to the establishment of tools for faster and more efficient support of the decision-making process, and to modernization of information and communications systems for sharing, processing and storage of data.

5 INTELLIGENCE AND SECURITY ACTIVITY

5.1 Introduction

The mission of intelligence and security activity is to provide appropriate support to defence system in intelligence, counterintelligence and security areas.

The intelligence and security activity in defence area is tasked with the provision of intelligence and security support to all of those in defence sector requiring such support in an appropriate, timely and adequate manner. At the same time, intelligence and security sector in defence area should become an even more efficient part of Slovenia's national security system, and remain a credible partner in cooperation with partner services and a compatible element of operations within the EU and NATO in intelligence and security area.

The intelligence and security system in defence area will function and develop in compliance with development, guiding and doctrinal documents with the purpose of providing intelligence, counterintelligence and security support at the national level, conducting multinational operations and missions, and in the sense of fulfilling international commitments.

5.2 Analysis conclusions

The analysis of the current situation in intelligence and security area in defence system shows that intelligence and security resources can be optimized and streamlined.

Specific integration processes in intelligence and security area are already taking place between the Intelligence and Security Service (ISS) and the SAF. They are aimed at additional improvements to intelligence and security support at all levels. The experiences of past integration processes are positive and could be applied to a great extent in the further integration of processes and/or structures.

Efficient intelligence and security structure should meet all requirements of defence sector, including the needs of the protection and rescue system, and should at the same time be rational in terms of its material and personnel resources.

An appropriately linked structure of intelligence and security activity in defence area, also in terms of communications, will help the Intelligence and Security Service acquire information from all available sources – from the capabilities within defence sector (and beyond as part of Slovenian national security system and through international bilateral and multilateral cooperation), their analysis and further dissemination to end users within defence system and beyond (other users in Slovenian national security system, in bilateral and multilateral area) in real time (also referred to as the *all source* product of the Intelligence and Security Service).

5.3 Starting points for further development

- The intelligence and security system of the MoD and the SAF will be upgraded in terms of organization, personnel and technical support.

- We will continue with the implementation of the agreed force goals, introduction of NATO standards and implementation of provisions of the recast doctrinal documents in the area of intelligence and security activity in defence area.

- Advancements in defence-related intelligence and security activity can be described through various models which differ primarily in various levels of process and/or structure integration, but also rely on changes to normative framework.

- Irrespective of the further development model, one of the essential short- and medium-term goals is to facilitate better interoperability among the subjects that perform tasks in intelligence and security area (at all levels) or are the users of products generated as part of intelligence and security activity. The final goal of the process is to establish an appropriately integrated structure of intelligence and security activity in defence sector.

- For the purpose of more efficient operation of intelligence and security area, it would be sensible to upgrade normative acts so as to allow for functional and/or structural integration of all intelligence and security capabilities in defence sector in an appropriate intelligence and security system, also taking into account the need of the Slovenian Armed Forces to have their own specific capabilities of intelligence and security support.

- Intelligence and security-related education should be upgraded and the relevant topics should be included in SAF training programmes. In the future, special attention should be given to the design and continued development of a uniform modular system of education, training and further training courses for the ISS and SAF personnel functioning in intelligence and security area.

- The existing communications' interoperability in intelligence and security area should be upgraded with appropriate capabilities that will enable efficient intelligence, counterintelligence and security support on strategic, operational and tactical levels. The project of establishing classified network with active engagement of both the SAF and ISS will, once completed, also provide support to intelligence and security activity in defence system.

6 EQUIPPING AND REAL ESTATE

6.1 Introduction

Equipping and real estate represent two areas in defence sector intended to support the operation of key capabilities of defence sector, and to provide some of the basic conditions for efficient execution of its mission and tasks.

The equipping and real estate-related processes are carried out for the most part in Logistics Directorate (LD) in the following forms:

- Administrative, technical, expert, analytical and general tasks related to research in defence technology,
- Research and development (R&D) as required by defence sector,
- Defence-technical cooperation,
- Testing and evaluation of military equipment and armament,
- Implementation of equipping programmes and projects,
- Procurement and supply of goods and services,
- Quality and quantity acceptance of materiel and services,
- Tasks related to defence standardization and codification of materiel,
- Defence estate management,
- Warehouse management, and
- Disinvestment.

6.2 Analysis conclusions

The design of planning documents does not always consider the real financial or budgetary framework, which leads to changes in the purchase and order subject, disruption of procurement, etc. Since the adopted new Act on the Implementation of Basic Development Programmes for the Slovenian Armed Forces in the Period 2008–2015 suspends exceptional solutions applied between 1994 and 2007, the transfer of financial obligations from one to another budgetary year is no longer possible.

The present system of preparing investment documentation and managing equipping projects does not enable timely preparation of investment documentation, which in the past often prevented the realization of projects within the set timeframes.

Individual specific areas of equipping and real estate face shortage of experts, which results from the fact that experts leaving the system have not been replaced with new experts in a regular and timely manner.

More emphasis should be given to market research in technical and commercial areas. There are often delays in the preparation of the required investment documentation for procurement. Owing to insufficient information from the market, the produced investment documentation may be inadequate and deadlines for capability building often extended.

As part of the procurement process of goods and services, the most recent reorganization introduced centralized ordering procedures in the ministry, irrespective of the funding source (regular budget, Basic Development Programme). A uniform normative basis was also established for confidential procurement procedures. The trend of reducing defence and confidential procurement in comparison with public procurement was apparent.
The latest reorganization in the area of quality and quantity acceptance has established the centralization of acceptance procedures at the ministry, irrespective of the funding source

(regular budget, Basic Development Programme). The transfer of goods from the temporary central storehouse to the end user or the possibility of goods' acceptance by the end user, commonly the SAF, will have to be stepped up.

Surveys conducted for offsets show that offset activity represents an additional direct cost for the buyer, which stems from the fact that the producer considers offset as a disruption in the chain of sub suppliers. Offset practices must be carried out in compliance with the Treaty Establishing the European Community, that is for procurement providing protection of essential national security interests. The guidelines of the Republic of Slovenia's Government on offset from the year 2000 were not properly adapted to changes in the environment and will therefore have to be modified.

In the area of standardization, conclusions show that communication channels between the tasking standardization body and originators of Slovenian military standards (SMS) in the SAF is too long. The heads of internal organizational units (IOU) developing proposals for standards and overseeing the introduction of the adopted SMS dedicate insufficient attention to this area.

In the field of quality, preparations will have to be initiated for memoranda on cooperation with Slovenian institutions and the relevant Government Quality Assurance representatives, and memoranda on cooperation of institutions of NATO and PfP member countries in suppliers' quality assurance.

Research and development (R&D) requirements of defence sector were allocated 4–5 % of defence budget in the previous years, while the relevant EU average amounts to approx. 2 %. MoD received in 2003 only additional funding for R&D-related activity, but no required extra professionals for the work in this area, which resulted in worse performance. The R&D planning process has become difficult with reductions in funding following the adoption of budgets. The process of project planning and proposal submitting is too slow, and coordination of setting project priorities is particularly difficult.

In the area of managing investment construction projects, conclusions show that the responsible IOU does not possess all required powers. The design of planning documents for real estate construction projects often disregards the actual financial capabilities, which leads to modifications of the order subject, disruption of the ordering procedure, etc.

The buyer often initiates the ordering of investment construction projects with the equipment already purchased or in the process of purchasing, which is unacceptable from the viewpoint of project duration. It is also necessary to ensure replacement of personnel in individual expert areas (for instance in the electrical and mechanical engineering).

Conclusions concerning management of investment maintenance and regular maintenance of real estate reveal inadequate control of maintenance execution, required work and equipment replacement which results from an over extensive real estate fund, including the housing fund, and shortage of personnel.

MoD manages and maintains the housing of former beneficiaries of the housing right (BHR), now possessing the status of tenants for unlimited period of time, and the housing considered superfluous from the perspective of business requirements and long-term use, which does not fall within provision of defence capabilities.

Owing to the shortage of personnel, land registry data on real estate are not properly maintained, which makes the sale difficult and even impossible in the future due to legislation modifications.

A big problem is also inconsistency of decisions adopted by defence estate users about the potential use of defence estate. The changing decisions cause great disturbances to the

process that is comprehensively regulated and requires a great deal of activity and time to be accomplished (for instance real estate sell-off).

6.3 Starting points for further development

- In the area of investment documentation preparation and management of equipping projects, an appropriate internal legal act will have to be adopted, and DIIP and other investment documents for the funding allocated for NRP for the period 2010–2013 will have to be prepared in due time. Investment documentation will have to be drawn up in timely manner so as to ensure that decisions about investment will be based on preliminary analytical data. Planning documents will have to be synchronized with the documents of investment documentation.

- The present guardianship of individual equipping projects will have to be upgraded through the guardianship of the entire process of capability provision and/or through the nomination of the »director« responsible for capability generation as planned in the Medium-Term Defence Programme.

- With the purpose of ensuring an adequate number of experts in individual areas of equipping and real estate, it would be reasonable to consider the integration of homogeneous professional human resources in individual specific areas (CBRN, optical assets, engineering, etc.) at defence sector level as a whole. At the same time it would be appropriate to set up a database of national technical experts for individual areas of military technology.

- R&D-related activity will be in the future carried out in conditions of significantly limited resources. It is unlikely that their volume will exceed 2 % of defence expenditure, which is common for EU members with the established R&D system. A comprehensive implementation strategy for R&D activity will have to be developed and the level of ambition, goals, resources and methods of realization will have to be determined. The range of target-oriented R&D activities directly supporting the development of key capabilities of the SAF and defence sector will have to be expanded.

- In the future, with the aim of cutting the cost, increasing the efficiency and addressing the issues of standardization and interoperability, multinational procurement of military equipment, armament and support services will be carried out through international organizations, such as EDA, NAMSA, etc. to a much larger extent than before.

- For orders not requiring the preparation of investment documentation, a comprehensive and thorough technical and commercial market research will have to be made prior to the execution of orders.

- In two years' time the Directive 2009/81/EC for defence and security procurement will have to be implemented in the legal system of the Republic of Slovenia. Among other things, the national regulation will have to stipulate legal protection of suppliers accordingly.

- Specific forms of public procurement and defence and security procurement stipulated in special regulation cannot be carried out through a newly established Public Procurement Agency because of the required expertise in the area of protection and rescue, military technology and knowledge of Alliance's requirements (for instance NATO standards – STANAG, confidential information requirements, etc.). The agency should be responsible for procurement that used to be carried out as joint public procurement (for instance of vehicles, computer equipment, fuel, etc.) in the past.

- As part of EDA operation, the Code of Conduct on Offsets was adopted in October 2008 that entered into force on 1. 7. 2009 and will, at least for a limited part, ensure coordinated implementation of offsets in EU member countries. New stipulations will also have to be adhered to in defence procurement. The field of offsets will be in the future mainly limited to military equipment and armament, and not to commercial products and services. In the opposite case, a greater role will have to be assumed by the Ministry of the Economy, as offsets will not provide for defence system capabilities, but rather support Slovenia's economy in the sense of increasing the export of goods and services.

- The system of introducing assets into operational use in the SAF needs to be changed.

- Quality acceptance procedures will have to give more attention to the use of STANAG 4107 and to cooperation with GQA of other NATO member countries.

- By the end of 2009, a comprehensive strategy of MoD defence estate management needs to be developed to ensure consistency of decisions about the usability of defence estate in compliance with the anticipated SAF size and structure and other already existing or specifically developed capabilities of defence sector. The planning of infrastructure projects must be based on the realistic needs analysis and the available financial resources so as to avoid frequent modifications of determining the potential usability of real estate.

- The real estate designated for the needs of national defence and the system of protection against natural and other disasters will continue to be managed by the Ministry of Defence also after the establishment of the public funds for the management of the national intangible property, since they represent part of the capabilities used for defence of the state and the system of protection against natural and other disasters.

- In the area of the housing policy, the number of housing units should be reduced and used primarily to accommodate the housing needs of SAF personnel. Housing units not intended for business purposes or long-term use, and the housing of the housing right beneficiaries should be sold off or transferred to the public housing fund to relieve accordingly the ministry of the activities not related to defence.

- Part of the tasks concerning defence estate management will be transferred to defence branch offices. Their operation will be performed under professional supervision of LD and its Defence Estate Management Office.

- With the aim of stepping up the information flow and improving the efficiency of business processes in LD, it would be reasonable to carry out its comprehensive reorganization. The proposed organizational measures will help reduce the number of IOUs and, consequently, the number of hierarchical levels and the number of function-related jobs.

- There is a possibility of transferring part of LD personnel to other ministry IOUs, which should be carried out in parallel with alternative employment of specific profiles (mechanical engineers, architects, legal experts, military technology experts, economists, etc.) that are indispensable for uninterrupted execution of specific work processes.

- At least in some areas (military technology, materiel management and disinvestment), it would be reasonable to integrate personnel from the administrative and military part of the Ministry of Defence.

- Owing to the specifics of tasks performed within LD, conditions should be established for adequately frequent replacement of personnel in duties related to the equipping process.

7 DEFENCE PLANNING

7.1 Introduction

MoD defence planning is based on the MoD Planning Regulation (December 2005) and a variety of other documents which regulate defence planning within NATO and the EU.

The main defence planning domains according to NATO methodology are:
- Resource planning (personnel and finances).
- Force planning.
- C3 planning.
- Logistics planning.
- Armaments planning.
- Civil emergency planning.
- Nuclear planning.

The periods of MoD defence planning comprise (Figure 1):
- Long-term planning (12 and more years).
- Medium-term planning and programming (6 and more years).
- Short-term or business planning (2 years parallel to adopting the national budget).

Parallel to all defence planning phases, a process of reporting and evaluating the implementation of current planning documents (controlling) is carried out.

The hierarchy of strategic and planning documents which are prepared in the context of defence planning allows the transfer of strategic political decisions on defence matters (adopted by the National Assembly, the Government of the Republic of Slovenia and the Minister of Defence) to executive acts which regulate the development and operation of the MoD. Defence planning allows cascading and ensures the traceability of decisions as well as translating general documents at strategic level into detailed documents at implementing level.

The rolling defence planning process of the MoD provides planning documents that are up-to-date and current by periodically updating already existing planning documents at all planning levels, taking into account changes in the environment (security changes as well as changes in the area of resources and priorities, etc.).

The MoD defence planning process is directly linked to the NATO defence planning process, involving three key processes:
- Adopting political NATO guidelines (determining NATO's level of ambition),
- Determining planning objectives (NATO force/capability goals)
- Reviewing of defence planning (or achieving objectives set forth).

7.2 Analysis conclusions

Despite an adequately defined hierarchy of strategic documents and plans concerning a wider national security and immediate defence area, the contents of various documents in the planning chain may still not conform and can be unrelated.

The Resolution on the National Security Strategy of 2001, which is an overarching strategic national security document, was not supplemented on time and in accordance with changes in the strategic and security environment. This mainly concerns Slovenia's membership in NATO and the EU as well as changes in the sources of threats.

The past long-term planning documents (Resolution on the General Long-term Programme) were too detailed, as they included annual projections of defence spending, personnel and equipment. In the time when the current Regulation of MoD Planning did not exist and the hierarchy of documents was not well-defined, they served as medium-term defence programmes (current Medium-term defence programmes). For this reason, particularly in the past years, when the situation in the area of defence resources had considerably changed, a significant gap occurred between personnel and financial plans as well as in their actual implementation.

The MoD Planning Regulation in force is above all directed towards a single planning domain (force planning), but does not adequately include other planning domains, which are part of a comprehensive system and planning process and establishing capabilities.

The current understanding of establishing capabilities refers particularly to defence (respectively military) capabilities, but not to other non-military capabilities within and outside the defence area, which in the context of a comprehensive approach towards international operations and missions (IOM) is gaining increased significance.

Defence planning (establishing capabilities) and operational planning (use and operation of capabilities) are not sufficiently affiliated, which as a result impedes the improvement of the efficiency of MoD forces and capabilities' operation.

Activities within the scope of individual planning domains are carried out in various MoD organisational units. The regulation in force interconnects and coordinates mainly work of organisational units in the process of force planning. However, additional efforts are required in the area of interconnecting and coordinating the planning work of organisational units in other planning domains as well.

The Republic of Slovenia only partly includes provisions of various NATO and EU documents, which it had adopted as a NATO and EU member, into its strategic and planning documents. Key documents include the NATO Strategic Concept, NATO Comprehensive Political Guidance, NATO Ministerial Guidance, Multiple Futures Projects, the European Security Strategy, the EU Long-term Vision etc.

As certain concepts of long-term, medium-term and long-term planning documents do not comply and are not related with each other, certain problems occur during the reporting and controlling phase in the preparation of reports concerning the implementation of planning documents which has resulted in reduced accuracy and reliability of such reports.

7.3 Starting points for further development of defence planning

The defence planning process should be reoriented from the current force planning to a broader capability planning process which will integrate all planning domains.

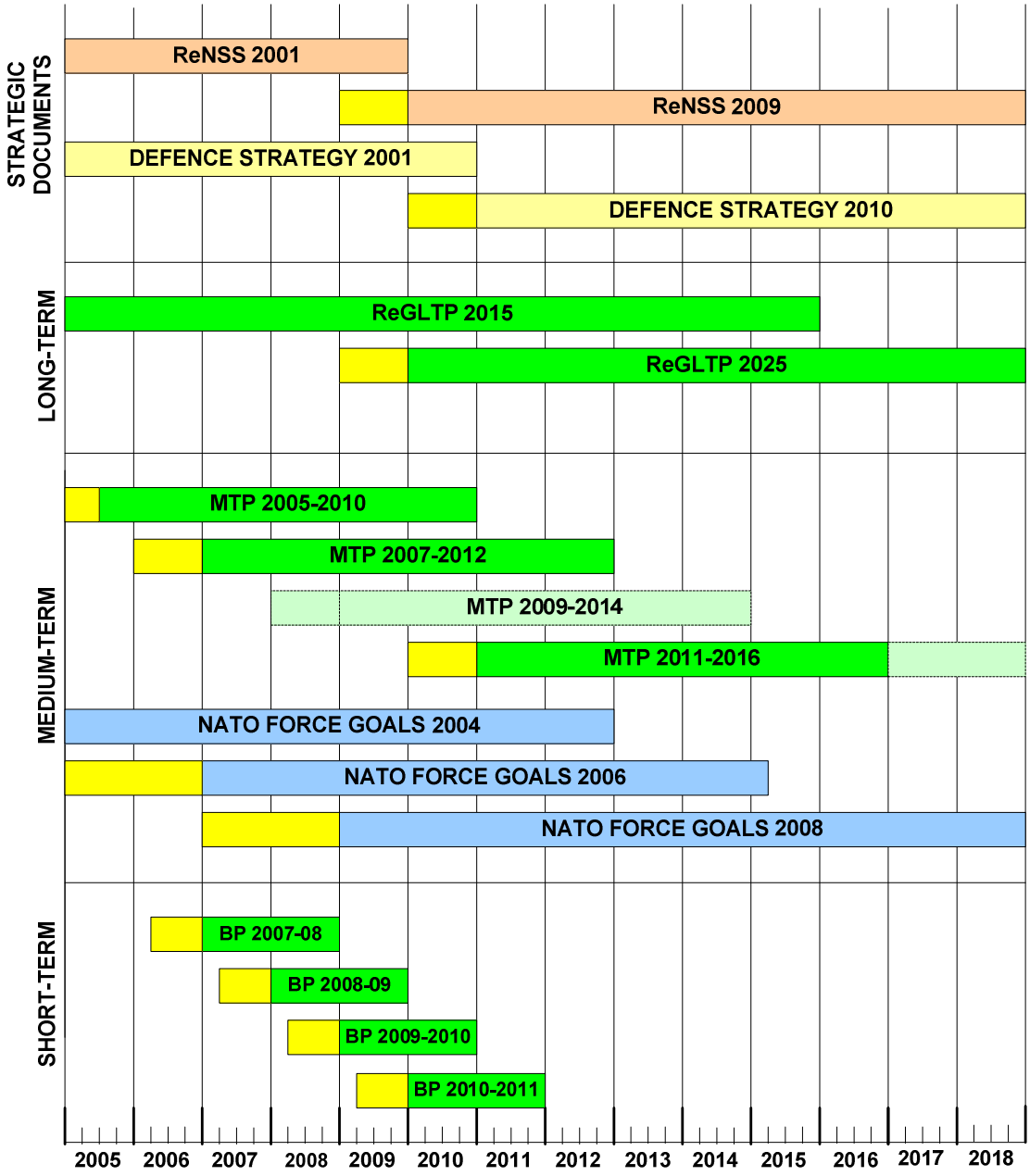
A higher degree of efficiency in the area of establishing capabilities should be ensured, referring in particular to (1) timely establishing capabilities, (2) appropriate manning and equipment of capabilities, (3) efficient and rational use of approved resources and (4) the due account of NATO and EU requirements in establishing capabilities.

In preparing new strategic and planning documents (Resolution on the National Security Strategy of the Republic of Slovenia, Resolution on the General Long-term Programme and Medium-term Programme), greater emphasis should be given to improving the graduality and traceability of decisions and the orientation towards individual documents (from general to concrete), thus, promoting a greater traceability of implementing developmental goals. All strategic and planning documents should reflect adopted commitments and ambitions of the Republic of Slovenia in the framework of NATO and the EU.

The current NATO defence planning system is changing to (1) a greater integration of various defence planning domains with the aim of achieving greater efficiency, (2) comprehensive approach and improvement of the cooperation between various ministries (not only defence) in developing capabilities and (3) harmonisation of defence planning between NATO and the EU with the goal of reducing the duplication and greater opportunities for (co)operation. In line with the changes in the NATO defence planning process, we will amend and supplement the Defence Planning Regulation in force. Thus, we will ensure a closer interaction of the planning disciplines, clearer separation of competences and responsibilities at the level of (1) planning, (2) implementation of plans and (3) reporting and evaluating, and improved coordination of work between all competent MoD organisational units and eliminate duplication in the defence planning process.

The MoD should also enhance coordination and cooperation with other ministries in the area of establishing various non-military capabilities and their interaction with military capabilities on the territory of the Republic of Slovenia and elsewhere.

Figure 1: Rolling defence planning system and the hierarchy of key documents.



ReNSS – Resolution on the National Security Strategy of the Republic of Slovenia
ReGLTP – Resolution on the General Long-term Programme
MTP – Medium-term Programme
BP – Business Plan

7.4 MoD financial resources

The key and main source for financing the MoD is the national budget of the Republic of Slovenia. Until 2007, it was also possible to finance modernisation based on the Basic Development Programmes Act, which made the provision of non-budget financial resources possible and allowed the transfer of non-realised financial resources from the current year to the next year. Since the adoption of the Basic Development Programmes Act of 2007, for the period of 2008 - 2015, this is no longer possible.

When reporting MoD financial resources, two methodologies are used which indicate financial resources in a slightly different way. In accordance with the methodology used by the Ministry of Finances, financial assets are indicated in the context of the MoD plan, which includes financial resources of the defence system as well as the system of protection against natural and other disasters. In compliance with the NATO methodology (DPQ), defence expenditures are presented, which include MoD financial assets without the system of protection against natural and other disasters, while financial assets for military retirement fees and financial assets provided by the Republic of Slovenia Office for the protection of confidential information are included.

In 2009, the national budget underwent two revisions (April and July), during which the MoD lost approximately a total of EUR 80 million or 13 % respectively of all financial resources allocated for 2009. During the first revision of the national budget, the financial resources were reduced from EUR 631 million to EUR 589 million (by EUR 42 million), while during the second revision they were reduced by an additional EUR 37 million, to EUR 552 million.

For drawing up the budgets for 2010 and 2011, the Republic of Slovenia is introducing a ‘programme oriented budget’, in which financial resources will no longer be directly allotted to individual ministries but based on individual development policies.

The programme-oriented budget of the Republic of Slovenia includes a total of 16 development policies. The MoD participates in three developments polices:

- 11 ‘National security, defence and foreign affairs’.
- 12 ‘Public administration system management’.
- 02 ‘Higher education, science, technology and information society’

In 2010, the MoD financial plan was approved in the amount of EUR 556 million (1.53 % GDP) and in 2011 in the amount of EUR 562 million (1.48 % GDP). In accordance with the NATO DPQ methodology, defence expenditure in 2010 will total in EUR 577 million (1.59 % GDP) and in 2011 in EUR 583 million (1.53 % GDP).

7.5 Human resources of the Ministry of Defence

The planned number of MoD employees is determined in planning documents as well as in the personnel plan of the RS Government.

The total number of MoD employees (Table 4) gradually increased in 2004 and 2005, mainly as a result of increasing the size of the SAF in the context of the transition from a conscript to a professional armed force. The total number of employees slightly decreased in 2006, in particular due to the reduction of the administrative part of the MoD. The number of MoD personnel was substantially decreased in 2007.

Table 4: Human resources according to MoD budget users.

Budget user	2004	2005	2006	2007	2008
1911 Administrative part	**1,155**	**1,132**	**1,097**	**1,096**	**1,146**
1912 ACPDR	**338**	**336**	**332**	**327**	**327**
1913 IRSVNDN	**67**	**66**	**65**	**60**	**59**
1914 Slovenian Armed Forces	**6,941**	**7,316**	**7,321**	**7,056**	**7,029**
1915 IRSO	**18**	**19**	**20**	**19**	**17**
Total	**8,519**	**8,869**	**8,835**	**8,558**	**8,578**

ACPDR – Administration of the Republic of Slovenia for Civil Protection and Disaster Relief
IRSVNDN - Inspectorate for Protection against Natural and Other Disasters
IRSO - RS Defence Inspectorate

The total number of personnel in the administrative part of the MoD gradually decreased between 2004 and 2007. It slightly increased in 2008 that is by 50 employees.

The total number of SAF personnel gradually increased in 2004 and 2005. In 2006, the increase was at a minimum (5), whereas in 2007 a considerable decrease in the number of SAF members occurred, largely due to difficulties in recruiting new personnel.

The comparison of the planned number of personnel (MTP 2005 - 2010 and MTP 2007 - 2012) and the implementation of the personnel plan since 2004 (Table 5) shows that the number of the personnel employed in the MoD administration until 2008 was below the level planned in MTP 2005 - 2010. However, in 2007 and 2008, it considerably exceeded the planned level in MTP 2007 - 2012, which projected a decrease to 955 employees in 2008.

Table 5: Comparison of the planned number of personnel and realisation.

Employees of MoD administration	**2004**	**2005**	**2006**	**2007**	**2008**
MTP 2005–2010		1,173	1,161	1,149	1,138
MTP 2007–2012				995	955
Realisation	**1,173**	**1,151**	**1,117**	**1,115**	**1,163**
SAF personnel	**2004**	**2005**	**2006**	**2007**	**2008**
MTP 2005–2010		6,617	6,830	7,040	7,300
MTP 2007–2012				7,750	8,000
Realisation		**7,316**	**7,321**	**7,056**	**7,029**

The administrative part of the MoD in SOPR 2005-2010 and 2007-2012 includes the budget users 1911 and 1915.

The size of the SAF in 2005 and 2006 considerably exceeded the planned size in MTP 2005-2010, while in 2007 and 2008 it fell behind the planned size in MTP 2007-2012.

8 MANAGEMENT OF DEFENCE SECTOR

8.1 Introduction

The management of defence sector is carried out through its administrative segment also referred to as defence administration in other countries.[15] This kind of thinking now goes beyond the established logic, according to which the administrative segment was placed on the same level with the administrative part of the MoD.

It is impossible to draw direct comparisons with foreign experiences, since the defence sector also includes the PNOD system in addition to the defence system. At the same time, some segments of ACPDR, for instance notification centres that used to be classified in the administrative segment, belong elsewhere due to their precisely determined operational tasks. The Intelligence and Security Service is a similar example.

On the other hand, so far the General Staff of the SAF (GSSAF) has never been categorized as the administrative segment. With the establishment of the Force Command of the SAF (FCSAF), GSSAF no longer performs command functions and other specifically military tasks, but mainly official and administrative roles. This is a logical consequence of FCSAF establishment and division of authority with the GSSAF, which was also carried out to relieve the personnel tasked with exclusively military tasks as much as possible from the official and administrative tasks.

The administrative segment of defence sector should perform general support functions (personnel issues, finance and materiel management, equipping and procurement, defence estate management, etc.) to accommodate the needs of key defence system capabilities, i.e. the operational part of the SAF represented by commands, units and institutes, and key capabilities of the PNOD system represented by protection, rescue and relief forces.

Defence administration is a multiplicator that, depending on the (in)appropriateness of its organization, supports or hampers the implementation of strategic and operational goals of defence sector, increases or decreases the effectiveness of SAF and PNOD system capabilities, and economic operation and rational use of personnel, material and financial resources. The purpose of SRDS 2009 was therefore to find out whether the size and structure of defence administration and the organization of defence sector at large are adequate given significant changes to the type and scope of individual tasks that result from changes to security and social environment.

8.2 Analysis conclusions

In the past years, the organizational structure of the Ministry of Defence was not sufficiently adapted, in terms of concepts and substance, to changes in the environment and altered requirements and possibilities. Changes involved primarily the quantitative dimension, and were mostly reflected in the establishment of new organizational units and creation of

[15] Defence administration is a defence sector structure dealing with the management of administrative operations and management and administration in defence area (adapted from the Dictionary of Standardized Slovene Language (SSKJ): it refers to the understanding of »administration« in the sense established in English). Defence administration is comprised mainly of the basic units (OE) of the administrative part of the MoD and GSSAF, given the zone of approach (if the adjective “defence” refers to defence ministry and not the defence system) defence administration could also include the non-operational part of the PNOD system.

additional hierarchical levels that only rarely contributed to rational and efficient functioning of the sector.

The number of MoD internal organizational units (IOU) has been constantly increasing – from 36 in the year 1991, 57 in the year 1995, 102 in the year 2000, 111 in the year 2005 to 122 in the year 2007. With the latest reorganization in 2007 the number of MoD offices increased by 10, the number of sectors by 7 and the number of departments by 9. Newly established were 6 desk offices and 1 project unit. The number of defence branch administrations was reduced by 2 and the number of branch offices by 13, while the number of directorates, centres and services remained unchanged. The last reorganization in the year 2007 increased the number of functional duties (by 17) and the number of systemized positions in the administrative part of the ministry (totalling 384 positions, with 334 in internal organizational units of the administrative part of the ministry).

SRDS 2009 conclusions show that the present organization of defence sector does not allow for optimum accomplishment of its missions and tasks, which are being intensively redrafted in accordance with changes to defence sector and its environment. The size and structure of defence administration are inadequate from the perspective of the type, priority list and scope of tasks to be performed.

Defence administration is oversized and under efficient in some of its segments given the personnel and financial input, while some other segments are clearly “undernourished”. The duplication and sometimes explicit division of civilian and military organizational structures of defence administration performing comparable or even same functions and tasks is evident, too. It is therefore essential to set up more efficient defence administration that will, through a better balanced structure, promote the implementation of strategic and operational goals of defence sector, increase the efficiency of capabilities of the SAF and the PNOD system, and allow for better economy of operation, and rational use of personnel, materiel and financial resources.

When reflecting on the necessary changes of the administrative part of the MO and defence administration, including GSSAF, the issue is not whether to introduce changes, but rather which, to what extent and when they should be carried out.

Sufficiently quick, resolute and efficient adaptation of defence sector to changes in the environment and new security requirements and needs is hence possible solely with immediate and comprehensive, yet prudent and gradual implementation of structural and functional transformation of the Ministry of Defence, in particular through:

- Rationalization and optimization of process- and organization-related structure, and elimination of process and organizational duplication, uniformity of processes and fusion of similar areas of work,
- Better transparency of authority and responsibility in managing and implementing the set development goals,
- Better efficiency of functioning and rational use of personnel, materiel and financial resources,
- Planned exploitation of internal reserves of materiel, financial and personnel resources, including planned personnel redeployment within the ministry and among sectors, and
- Potential outsourcing of individual functions and processes.

The establishment of transparent and rational organizational ministry structure is one of the commitments towards NATO that the Republic of Slovenia adopted in March 2003 with the signing of accession agreements. This commitment also refers to defence and military issues and is considered as most important, but at the same time most difficult to achieve. The Republic of Slovenia undertook to establish the organizational and personnel structure comparable to the structures of NATO and individual allies. The commitment also provided

for the elimination of the consequent personnel surplus from the system through retirement, redundancy or re-training (Point 13). Under Point 14, the Republic of Slovenia took a commitment to establish a transparent system of personnel management in the armed forces, including the development of career paths comparable to those of other allies. The Republic of Slovenia's commitment was discussed at all previous NATO Defence Review Committees (DRC), and the Alliance was given assurances about the intended integration of the administrative and military parts of the MoD. At the DRC 2008–2009 held in February 2009, the Alliance was again informed about Slovenia's intentions to rationalize the organizational structure (processes, functions and scope) of defence sector in line with SRDS 2009 conclusions.

8.3 Starting points for further development

- Adjustments of size and particularly the structure of the administrative part of the MoD or defence administration should be directed at process, structural and personnel rationalization.

- The future organizational structure of defence administration should be based on complete elimination of process-related and organizational duplication, and efficient exploitation of internal reserves.

- It is necessary to reorganize the management and decision-making system at the strategic level that should, with a smaller number of management levels and more flattened hierarchical structure wherever possible, and with a more balanced civilian and military structure, permit a clearer division of authority and responsibility, and better operationally.

- It is necessary to define and reorganize the key processes at strategic level to be followed by well-thought and gradual transformation of the organizational structure. The development of the future hierarchical and management structure of the MoD is based on seven optional proposals of SRDS 2009. The decision of key decision-makers who, besides professional, should also have political opinion about the best acceptability of variant proposals or their sub variants or combinations and their realistic feasibility, will be reached after additional judgment and coordination.

- The analysis of variant proposals will be derived from the fact that defence sector does not just require a renewed modification of organizational structure or another re-organization, but this time demands a comprehensive and fundamental reform. The reform is a wider and deeper intervention as it brings comprehensive changes to defence sector which, besides structural reorganization, also include functional improvements and rationalisation in the performance of key functions, processes and tasks.

- The findings of various surveys and analyses conducted at the MoD used to favour comprehensive integration of clearly divided and often duplicated civilian and military structures at the strategic level of decision-making, management and function. In addition to the integration of processes, this would facilitate appropriate effectiveness and efficiency of the accomplishment of the set development goals and provision of the planned SAF capabilities and the capabilities of the system of protection against natural and other disasters.

- The reform of defence sector directed at comprehensive gradual integration of the clearly divided civilian and military defence structures should be carried out in the following phases:
  Phase 1 – consensus about the method and range of integration to be followed by the preparation and approval of the integration plan,
  Phase 2 – preparation of appropriate communication plan for the execution of integration that includes communication with the internal and external publics,
  Phase 3 – execution of integration according to the approved plan,
  Phase 4 – analysis of integration effects, and
  Phase 5 – execution of potential necessary corrective measures.

- The reform of defence sector directed at a comprehensive gradual integration of clearly divided civilian and military defence structures is a very complex and demanding process. We are aware that for the efficient execution of this process it is necessary to ensure:
  - Appropriate will and determination of key decision-makers at the strategic management level in defence sector in the first integration phase;
  - Unity and determination of political support for comprehensive reform of defence sector both at the government and national levels;
  - Simultaneous changes in the organizational structure of defence sector, and changes in the way of thinking and activity of employees, primarily management, in the greatest proportion possible;
  - Wide social consensus about the timeframe eventually permitting comprehensive and gradual execution of defence sector reform. With rash and imprudent, and politically and professionally uncoordinated changes we can cause more damage than benefit;
  - Timely and adequate harmonization and amendment of applicable normative and legal documents or drawing up of the new.

- In no case should we repeat one of the major mistakes made in the development of defence sector in the past. We should not focus explicitly and solely on changes in the Slovenian Armed Forces, but rather thoroughly reform the defence administration and protection against natural and other disasters.

- The modification of the MoD organizational structure and (re)development of defence administration should be carried out according to the following schedule:
  - First (2010), to optimize and reorganize the administrative part of the MoD and ACPDR in the first half of the year to the extent not requiring any changes to normative and legal basis, and later in accordance with the relevant changes,
  - Later (2011), continuation of the above mentioned process and simultaneous establishment of a rational and functionally appropriate integrated civil-military organizational structure of defence administration, as a priority in areas and processes of the key functions of defence system, and in the areas of duplication. This will ensure the synergy of extremely dispersed knowledge and experiences of the employees of the administrative segments of the MoD and GSSAF administration.

- In line with changes to the MoD organizational structure, it is necessary to modify position classification of defence administration according to methodological basis to be developed by the Secretariat of the Secretary General.

- In parallel with the changing MoD organizational structure, more attention will be dedicated to improving organizational culture in the entire defence sector. This involves more intensive mutual cooperation and trust, faster and more complete

information flow, innovativeness and positive attitude towards changes, better coordination and synergy between processes and organizational units and clearly delineated authority and responsibility. The changes to the organizational structure and culture of defence administration will also help improve the organizational climate of the whole defence sector.

- In line with the changed requirements in defence sector and the future regional organization, it is necessary to rationalize the administrative-territorial organization of functions in defence sector (defence administrations, defence branch offices, ACPDR branch offices).

9 RISK MANAGEMENT IN DEFENCE SECTOR

9.1 Introduction

The implementation of measures deriving from the conclusions of strategic review of defence sector is linked with the understanding and acceptance of risks and their management. A risk can be understood as potential damage to the defence system and national security, with a likelihood of anticipated damage and measurement of the consequences if the risk is not addressed in a timely manner. Appropriate measures should allow us to anticipate and assess the risks, and manage them to the greatest extent possible through timely and appropriate response measures.

There are four risk dimensions to be considered in defence sector:

- Operational risks are related to the current capabilities for successful task accomplishment in the context of human, material, financial and strategic expenses.
- Future risks and challenges deal with the ability of defence sector for successful accomplishment of future tasks with regard to future challenges.
- Capability management risks refer to recruitment, retention, training of personnel, equipping of forces and maintenance of their readiness.
- Institutional risks are linked with the ability to manage the sector, command and business practices.

9.2 Operational risks

- Due to downsizing of the available financial means the MoD has already reached the zone of the minimum financial means required for normal operation and essential development of defence sector capabilities, including the realization of the adopted NATO force goals. With further downsizing of the available funds, the readiness of SAF and PNOD, their usability and effectiveness in accomplishing missions and tasks of defence sector would become questionable, and security risk of the SAF and PNOD forces and long-term risks for national security would be increased.

9.3 Future risks and challenges

- We still irrationally preserve the philosophy and the concept of integral military structure comparable to that of bigger nations, although the available personnel and particularly financial resources are becoming scarce. It is therefore necessary to determine clear national priorities for the further selective development of defence sector capabilities. It will be impossible to avoid the necessary and the only possible conscious acceptance of certain national and security risks which would, however, not compromise vital national interests, particularly not in the case of the further growth of contract reserve and voluntary military service, and development of the military strategic reserve.
- There is a likelihood of losing credibility with the Allies and partner countries, and in the international community at large, due to the unfinished professionalization process, notably because of its functional aspect, avoidance of fair and proportionate burden sharing, responsibility and risks associated with IOM, non-completion of force goals and unaccomplishment of defence reforms within the expected range and tempo.

- It is necessary to reach a national consensus on the level of ambition of Slovenia's foreign policy in the national and security area, and consequently the level of ambition of defence policy and the policy of protection against natural and other disasters. In the area of defence, it is necessary to develop a clear understanding of where we are (standing) and where we are heading (development vision and goals(s)). We should be aware of the necessity of changes, and at the same time ensure appropriate motivation for their implementation, by setting ourselves sensible, clear, ambitious and at the same time feasible strategic development goals.

9.4 Capability management risks

- Difficulties linked with the provision of an adequate number of appropriately qualified personnel, also involving the problems of developing an appropriate strategy and the personnel management system in all major dimensions – recruitment, retention, education and training, advancement and promotion, and exclusion. The MoD is faced both with the deficiency and surplus of individual personnel categories. Since this issue exceeds the competence and authority of the MoD, the key question is whether the Government of the Republic of Slovenia will be capable of providing the necessary social consensus for faster and more active resolution of personnel issues in defence sector.
- A significantly smaller volume of the available funds, ranging from long-term to medium-term planned means, are critical for the dynamics and substance of the process of capability generation both in the SAF and the PNOD system. Problems associated with the provision of planned capabilities will affect the integrity and quality accomplishment of missions and tasks of both subsystems.
- A reduced scope of the actual available funds, linked with embargo on recruitment and restricted manpower of the SAF to the level lower than planned, together with smaller chances for the execution of a comprehensive training process, will affect the SAF readiness, and the readiness and capability of the PNOD system to respond to disasters.

9.5 Institutional risks

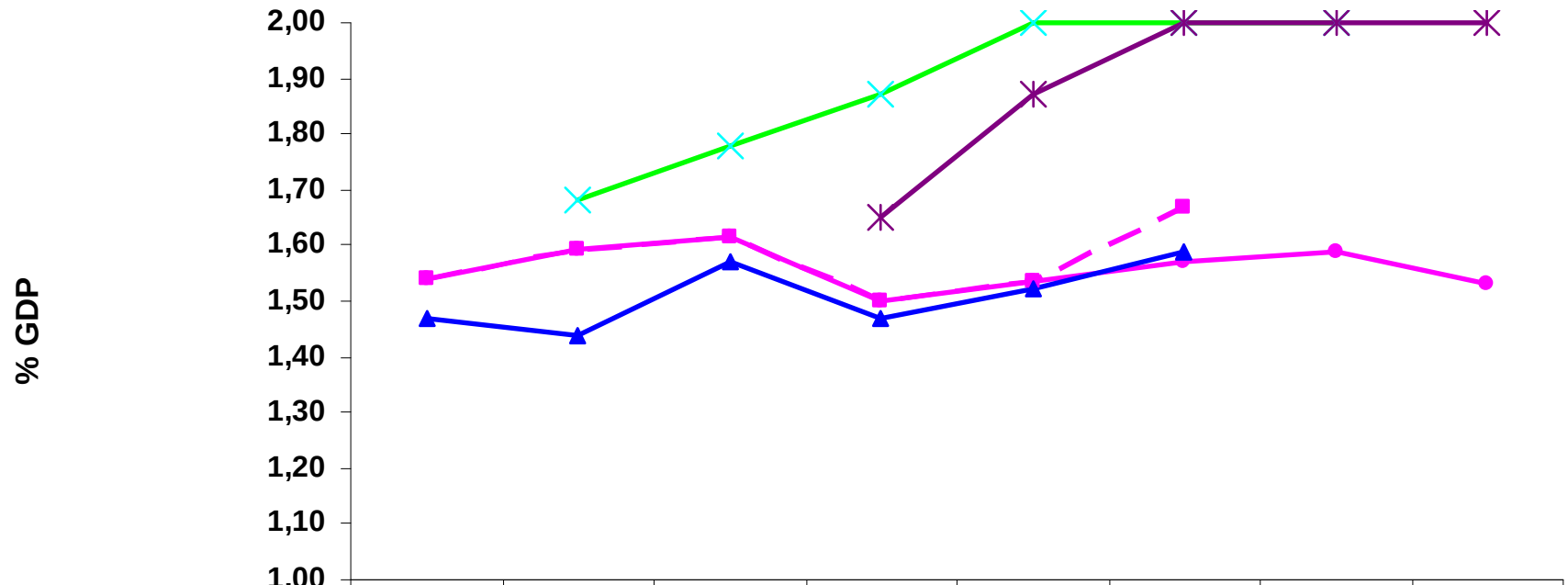
- The Slovenian society is becoming increasingly critical attitude towards the defence area that has been particularly affected by the uncertain outcome of the global economic and financial crisis in the past year. It is therefore necessary to establish a more effective strategy and communication system of defence sector in order to ensure appropriate support of Slovenia's politics, and professional and general publics for reform efforts in defence area. In relations with the public, including the internal public, and the politics at large reaction should be replaced with proaction.
- At the same time it is also necessary to improve the political and public support for a more active involvement of military and non-military capabilities of the Republic of Slovenia in IOM and stronger support for NATO membership. This was presented to the Slovenian public and politics as a possibility to cut the expenses in defence area in respect of selective specialization and rationalization. From the viewpoint of the public and politics, we have not renounced any of the major military capabilities, but would also like to expand them (ship, transport aircraft, 8 x 8).
- The building and strengthening of loyalty and corporate identity are given insufficient attention, contacts with the employees and the internal public are not sufficiently frequent and genuine, various categories of employees (soldiers and civilians) are not given equal attention, employees lack the possibility of proposing changes and improvements, the comprehensive care concept for SAF personnel (CCP) remains

unaccomplished. It is necessary to improve the organizational climate, and organizational and security culture in the defence sector.

- The implementation of the planned development goals and strategies of defence sector will not be possible without a timely and comprehensive review of the legal and normative framework. We require appropriate political will and a national consensus to modernize strategic documents (Resolution on the National Security Strategy, Resolution on the General Long-Term Programme of the Slovenian Armed Forces' Development and Equipping, Medium-Term Defence Programme) and the legislation (Defence Law).
- In the past we were witness to considerable differences in the adaptation intensity of individual defence sector segments to contemporary security circumstances and demands of the security and political environment. Owing to intensive preparations for NATO membership and the present membership, the adaptation process involved primarily the SAF. In the future, it will be therefore necessary to strive for a more balanced transformation of defence sector, both from the viewpoint of the relationship between the administrative part of the MoD and the SAF, and from the relationship from the MoD and other public administration sectors.
- The strategic review of defence sector 2009 must not be used as a basis for a renewed change of the organizational structure or yet another reorganization of the MoD, but should rather lead to a comprehensive and thorough reform of defence sector, with the necessary elimination of duplication, filling the gaps and improvement of decision-making processes.
- In order to ensure effective execution of defence reforms it is necessary to build on a greater unity (not equality!) of thinking and efforts at the MoD, which will not be an easy task. The defence sector still, despite different wishes, knows various non-productive divisions into individual interest groups.
- It is necessary to overcome the comfort of routine and satisfaction with the present situation. Overcoming the established frame of thinking and function should be abandoned. We should give up tinkering with the known and required issues, and should replace them with our obligations, not postponing difficult decisions to an indefinite future.
- We should set up a team with a uniform vision of development. Management positions in the entire organizational pyramid should be filled with the right people capable of contributing to the development and implementation of development vision. In the execution of defence reforms we understand that mistakes are sometimes an indispensable element of searching for different and better solutions. Success requires firmness and determination of the management.

10 Appendices (tables and graphs)

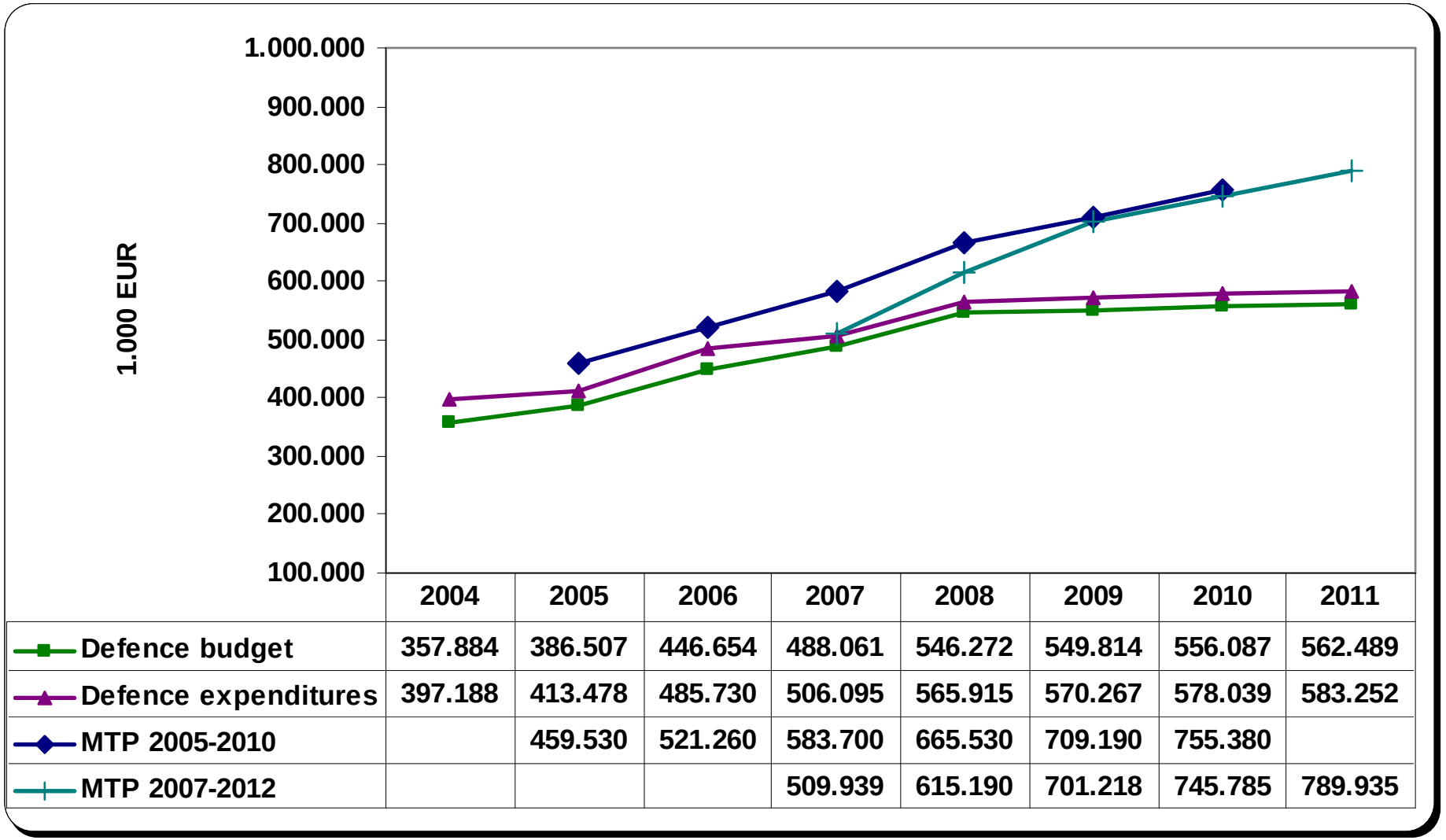
Appendix 1: Defence expenditure as % of GDP



	2004	2005	2006	2007	2008	2009	2010	2011
Approved def. exp.	1,54	1,59	1,62	1,50	1,53	1,67		
Approved def. exp. (*)	1,54	1,59	1,62	1,50	1,53	1,57	1,59	1,53
Actual def. exp.	1,47	1,44	1,57	1,47	1,52	1,59		
MTP 2005-2010		1,68	1,78	1,87	2,00	2,00	2,00	
MTP 2007-2012				1,65	1,87	2,00	2,00	2,00

(*) Based upon the lower projection of GDP (from 2009)

Appendix 2: Defence budget and expenditure in the period 2004–2011



	2004	2005	2006	2007	2008	2009	2010	2011
Defence budget	357.884	386.507	446.654	488.061	546.272	549.814	556.087	562.489
Defence expenditures	397.188	413.478	485.730	506.095	565.915	570.267	578.039	583.252
MTP 2005-2010		459.530	521.260	583.700	665.530	709.190	755.380	
MTP 2007-2012				509.939	615.190	701.218	745.785	789.935