FINNISH SECURITY AND DEFENCE POLICY 2001

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Contents

SUMMARY

SECTION I: THE SECURITY ENVIRONMENT AND FINLAND'S POLICY

1. SECURITY ENVIRONMENT
1.1 International developments
1.2 The challenge of conflict prevention and crisis management
1.3 International security cooperation
1.4 Defence policy and military development
1.5 Security and defence in northern Europe and the Baltic Sea region

2. FINLAND'S SECURITY AND DEFENCE POLICY
2.1 Security and defence policy instruments
2.2 Requirements of military defence and crisis management

SECTION II: DEVELOPING FINLAND'S DEFENCE

1. MILITARY DEFENCE
1.1 Finland's defence solution
1.2 Military defence resources

2. STRUCTURAL CHANGES IMPLEMENTED IN THE DEFENCE FORCES UP TO 2001

2.1 Objective of the structural changes
2.2 Structural changes implemented up to 2001

3. FINLAND'S DEFENCE SYSTEM 2001-2008
3.1 Defence system development
3.2 Developing the Defence Forces command and control system
3.3 Developing each of the services
3.4 Developing war economy arrangements and logistics
3.5 The Defence Forces in peacetime

4. COOPERATION OF THE DEFENCE FORCES WITH VARIOUS AUTHORITIES

SECTION III: INTERNATIONAL CRISIS MANAGEMENT

1. INTRODUCTION

2. MILITARY CRISIS MANAGEMENT
2.1 Principles and capacity for participating in crisis management
2.2 Participation in peacekeeping operation
2.3 Cooperation in military crisis management

2.4 Development of military crisis management capacity
2.5 Civil-military cooperation

3. CIVILIAN CRISIS MANAGEMENT
3.1 General
3.2 Priorities in civilian crisis management
3.3 Development needs

SECTION IV: PRECAUTIONARY MEASURES AND COMBATING THREATS TO SOCIETY

1. BACKGROUND

2. INTERNAL SECURITY
2.1 Public order and security
2.2 Protecting the population
2.3 Border surveillance and movement of people

3. SECURITY OF SUPPLIES

3.1 Effects of the operating environment
3.2 Revising the decision on the aims of ensuring security of supplies
3.3 Food supply
3.4 Energy supply
3.5 Transport, storage and distribution systems
3.6 Information systems
3.7 Social and health care
3.8 Finland's defence industry

4. IMPROVING PRECAUTIONARY MEASURES

4.1 Drawing up a strategy for national precautionary measures
4.2 Other areas of development

ANNEXES

Annex 1 Defence expanditure of EU countries and Norway (FIM billion)

Annex 2 Implementation of the structural change in 1997-2000

Annex 3 The principle applied in developing the performance of the Defence Forces

Annex 4 The most commonly used abbreviations, concepts and their definitions

SUMMARY

Introduction

The Government report "The European Security Development and Finnish Defence", submitted to Parliament in 1997, outlined developments in the European security environment and their impact on Finland. It went on to define the principles for developing Finland's defence up to 2008 on the basis of an assessment of the international situation and as part of Finland's overall security policy. The report proposed that the structural changes in Finland's defence system should be reviewed at intervals, the first review planned for 2001, and that a comprehensive report on the long-term plans for Finland's defence system should be made no later than 2005.

The Parliamentary Defence and Finance Committees submitted their comments on the report to the Foreign Affairs Committee. Parliament subsequently approved the Foreign Affairs Committee's report, augmented with supplementary statements on Defence Forces' personnel and garrisons having lost conscript training.

An important change in the preparation of security and defence policy occurred when the Defence Council was abolished on March 1, 2000. The Council's duties were reallocated to the Government Committee on Foreign and Security Policy and the Ministry of Defence. The former was made responsible for important matters concerning total national defence and coordination of these matters, while the Ministry of Defence was given the new responsibility of coordinating the actions of different branches of government in matters of total national defence. A new Security and Defence Committee was set up at the same time, with the task of assisting the Ministry of Defence and the Government Committee on Foreign and Security Policy in these matters. The new committee was also given the task of coordinating the preparation of the 2001 report.

The long-term development of Finland's security policy and defence recommended in the 1997 report require that preparation of the following comprehensive report be brought forward to 2004. The report will also assess the defence system as a whole in the light of developments in the security environment and society in general.

The security environment and Finland's policy

In the international environment, the democratic reforms and stabilization in Europe following the end of the Cold War are continuing, with the European Union playing a key role. By acquiring new means for crisis management, the EU will increase its influence not only as a political and economic force but also as an actor in the field of security policy. At the same time, the EU will be developing its capacity to prevent security problems from arising and to strengthen security in a broad sense. Enlargement of the Union will significantly improve the prospects for wellbeing and security beyond the present EU boundaries and will be a key means of achieving stability and unification in Europe.

The importance of cooperation between the EU and Russia for the future of Europe is continually growing. As a result of the EU's common security and defence policy, its relations with the United States will acquire more substance in the field of security policy. Security in the Baltic Sea region will improve as a result of regional cooperation and the overall changes occurring within Europe. This will be shaped by the enlargement of the EU and of NATO and developments in relations between Russia and the Baltic States.

The changes in European security put in motion after the end of the Cold War are both profound and lasting. The threat of a large-scale military conflict in Europe will remain low.

New regional and local conflicts and humanitarian crises may occur within Europe and outside it. International interdependence and globalization have increased the vulnerability of countries to new kinds of transboundary risks and threats.

Despite the positive overall development in Europe and outside it, there still exist a number of uncertainties affecting the security of Finland and its citizens. These must be taken into consideration in developing the country's security and defence policy. Finland must be able to guarantee the effectiveness of its foreign and security policy and retain a credible defence capability in order to safeguard the country's political independence and territorial integrity.

The basic components of Finland's security and defence policy can be summarized as follows:
1. Maintenance and development of a credible defence capability.
2. Remaining militarily non-allied under the prevailing conditions.
3. Participation in international cooperation to strengthen security and stability.

Finland's capability to participate in security cooperation will be further developed in view of contributing in international crisis management in line with the principles adopted by the United Nations and the Organization for Security and Cooperation in Europe (OSCE), both within the EU and the NATO Partnership for Peace programme, and through Nordic cooperation. This will also serve to improve Finland's ability to manage crises or threats affecting its own territory.

Finland's defence capability must be tailored to secure the country's territorial integrity, its independence and the livelihood of its citizens. The entire territory of the country will be defended when necessary. Creation of capabilities for receiving assistance in a crisis situation is taken into consideration in developing Finland's defence.

European and international security requires not only cooperation to prevent wars and armed conflicts but also efforts to combat international political, economic, ecological and information system threats. Finland is improving its ability to deal with such security risks, especially international crime and environmental and health risks, as well as the risks of disasters, including problems of nuclear safety. Finland is also seeking more effective means to manage the effects of globalization and non-military security risks. Information gathering and analysis concerning globalization issues are being further developed. To manage the new security challenges, the activities of the different branches of government and their coordination will be made more effective and will be based on common views subject to regular revision. Cooperation will also be strengthened with the business sector, research and educational institutions and non-governmental organizations.

The importance of information as a production factor is increasing and has already become a major component within the economy and society at large. Threats affecting information systems which are spread via networks are on the increase worldwide. Criminal or otherwise malicious tampering with information networks is almost a daily event, even in normal circumstances; it is not simply a threat that arises in times of exceptional circumstances. Cooperation between different authorities to combat these threats will be improved by establishing a special organization within the Telecommunications Administration Centre.

Finland will continue to allocate resources to the work of the United Nations and to support the role of the UN in resolving international security problems.

The importance of the European Union in relation to Finland's security interests and goals has continued to increase. A strong Union based on solidarity will enhance security, prevent crises from emerging and improve Finland's ability to cope with such situations should they arise. An improvement in the EU's ability to take action will remain a fundamental principle of Finland's policy on Europe. As an EU member, Finland seeks to promote stable development and security in its adjacent areas and elsewhere in Europe. Finland supports the enlargement of the EU, which it believes is of central importance to stability and security in Europe. Implementation of the EU's common policy on the Northern Dimension will provide a long-term approach for promoting sustainable security.

The field operations of the OSCE for preventing and managing crises are a valuable contribution to improving European security. Finland continues to contribute resources for this work.

The work undertaken by the Council of Europe is important for promoting democracy, human rights and the rule of law.

Finland is actively engaged in cooperation in the Baltic Sea, Barents Sea and Arctic regions and seeks to promote projects of national importance.

Finland is committed to the development of the European Union's crisis management capability and considers close cooperation between the EU and NATO as an important basis for this work. Finland is continuing its Partnership for Peace cooperation with NATO and is developing its crisis management capacity within the framework of the Planning and Review Process (PARP).

The Treaty on Conventional Armed Forces in Europe (the CFE Treaty) is one of the cornerstones of European security and stability. On the basis of current assessments, Finland does not consider it necessary or possible to accede to the Treaty, but will closely study the implementation and effects of the adapted CFE Treaty.

Finland is taking an active role in international action to prevent the proliferation of weapons of mass destruction and to minimize the threat they pose. Finland is also involved in work to limit the spread of small arms and light weapons.

Finland supports an effective and worldwide ban on anti-personnel landmines and is participating in the EU's activities to promote the global implementation of the aims of the Ottawa Convention. Finland is continuing its investigations with the aim that it would sign the Convention in 2006, and destroy its anti-personnel land mines by the end of 2010, without compromising the country's credible defence capability. An interim report on the matter will be drafted before the end of 2003. The question of signing the Convention and drawing up a substitution programme for the anti-personnel land mines will be presented in the context of the entire Finnish defence system in the report to be drafted in 2004.

Developing Finland's defence

The goal of Finland's defence is to guarantee the country's independence, secure the livelihood of its citizens, prevent Finnish territory from being seized and secure the functioning of the state leadership.

Territorial defence system and general conscription will remain key principles of Finland's defence

system. The proportion of eligible males undertaking military service is expected to remain at about 80% in the future, too. Refresher courses are an essential element in maintaining the defence system. Preparations are made with a view of defending the entire country.

The measures implemented in 1997-2000 as part of the programme of structural change in the Defence Forces have established a sound basis for improved efficiency in line with the requirements set. The most important measures have concerned rationalizing the training organization, changes to the conscription service period in order to meet the demands of the training system, and operational planning. The programme to reduce the strength of Defence Forces wartime troops has also begun. The international activities of the Defence Forces have been more extensive and have grown more rapidly than anticipated. The emphasis in these activities has been on developing European crisis management capability.

To maintain and develop a credible defence capability, funding should be planned with a view to the longer term. The maintenance of the defence capacity cannot follow the fluctuations of economic cycles; instead, it is necessary to review the situation primarily against the long-term development of the security environment and on the basis of Finland's security policy objectives. The defence development programme presented in this report requires FIM 10.2 billion (thousand million) funding for defence in 2002, FIM 10.4 billion in 2003 and FIM 10.6 billion in 2004. The average funding in the period 2003-2008 would be a maximum of FIM 10.8 billion per year. Materiel procurement accounts for about one third the appropriations.

The resources for developing the defence system are to go primarily towards achieving the capability to prevent and repel a strategic strike. The ability to prevent and repel a large-scale attack will be maintained in line with developments in the security environment. The emphasis in the defence development programme in the present decade is in developing the Army. Advance work on improvements to defence capacity for the period 2010-2020 will begin during the present planning period. The developments occurring in armed forces which affect Finland's security environment will require Finland to invest in new defence technologies.

In developing Finland's defence system, priority will be given to the command and control system, the Army's readiness formations, military crisis management capacity and the wartime economy arrangements in an information society. The reductions in the Defence Forces wartime strength will be continued, reducing the maximum strength to 350,000 men by the end of 2008.

The reliability and compatibility of the Defence Forces command system will be further developed, taking into account the needs of cooperation at both the national and international level.

The main area of development in the Army will be the upgrading of three Jaeger brigades to readiness brigades. Extensive studies on the alternatives available will be required as a basis for decisions on the most effective weapons systems for the Army in the next decade. The study must provide the necessary information for making policy recommendations in the report to be presented in 2004.

A decision on wartime armoured brigades will be made on the basis of a study on the firepower and mobility of the Army's operational formations and supporting forces. Wartime armoured forces will be maintained in accordance with the lifespan of their equipment. The readiness of forces based in the Helsinki region will be improved

The Army's other wartime forces will be reviewed as a whole, taking into consideration the devel-

opment of the territorial defence system in 2010-2020.

The emphasis in developing the Navy's equipment is on replacing the most important vessels and improving the mobility of coastal defence.

In development of the Air Force's equipment, priority is being given to improving the operation of interceptors and maintaining their performance.

Finland's military crisis management capacity will be developed to meet the crisis management objectives of Europe and the UN. Development of the troops and systems of the Finnish Defence Forces for crisis management purposes will also be of benefit to national defence.

The wartime economy arrangements of the Defence Forces will be brought up to date to reflect the general practices in the information society and in trade and industry.

Organizational development in the Defence Forces will be continued by further implementation of the structural changes outlined in the 1997 security and defence policy report. The changes will be based on the anticipated needs in a war or crisis situation. Centralization of activities in the Defence Forces training organization will be continued and training facilities for the readiness formations will be improved. Locations considered inappropriate for command, training and readiness tasks will be relinquished. To maintain the performance of forces required to repel a strategic strike, the number of reservists undergoing refresher training annually will be raised to 35,000.

Development of the personnel system aims at balancing human resources to fit the demands of tasks in the defence administration, areas of competence to be further developed and the organizational changes under way.

In 2002-2004 a study will be undertaken of the defence system needs for the period 2010-2020. A revised territorial defence system will be presented in the report on security and defence policy to be submitted in 2004. The report will assess the entire defence system in the light of developments in the security environment and society in general.

Defence Forces cooperation with different authorities is based on statutory obligations and on separate agreements with the authorities concerned, as well as other practical arrangements.

No changes are considered necessary in the basic military defence arrangements of the Frontier Guard. The Frontier Guard and the Defence Forces have an agreement on cooperation concerning territorial surveillance, defence planning, military training, and operational and resource planning. More demanding defence duties are being planned for the Frontier and Coast Guard forces.

Under the Rescue Services Act, the Defence Forces are obliged to participate in rescue services activities by providing equipment, human resources and special expertise needed in rescue operations, where this is necessary due to the scope or special nature of the accident. Participation in rescue services work must not be allowed to affect the performance of defence duties undertaken by the Defence Forces.

International crisis management

The international community has put considerable effort into developing its capacity to engage in military and civilian crisis management, on the basis of experience gained in crises during the

1990s. More decisive efforts are needed to improve conflict prevention. Finland is actively participating in crisis management cooperation and is thus reinforcing both international security and its own security.

Finland is also developing its own defence capability, making use of the experience gained in peacekeeping and crisis management within international organizations. Due regard is paid to Finland's international obligations in the EU, the UN and the OSCE, and its participation in the NATO Partnership for Peace programme.

The various means available for crisis management cover both military and civilian tasks. In international crisis management Finland mainly uses the resources which are reserved for its own national duties. The ability to make preparations, take decisions and implement actions rapidly, essential for crisis management, will be further enhanced. Decision-making procedures will be further developed, particularly with a view to the EU's crisis management activities.

Finland can participate in military crisis management operations implemented by the UN, the OSCE, the EU or NATO, provided these operations are under UN or OSCE mandate consistent with the provisions of the Finnish Act on Peace Support Operations 2,000. Under the Act, Finland may have no more than 2,000 peacekeepers in operations at any one time. Finland is currently participating in ten different operations with a total of about 1,600 personnel. The Ministry for Foreign Affairs and the Ministry of Defence are responsible for military crisis management preparations, guidance and supervision. The Defence Forces are responsible for practical implementation.

Participation in UN peacekeeping duties will continue to be important in the future. Finland supports efforts to improve the effectiveness of the UN's crisis management operations.

Finland is participating in setting up the EU's military crisis management capacity and has offered a rapid deployment force for use by the EU in international crisis management. The total strength of the force offered is 1,500 soldiers. In establishing its rapid deployment capability, Finland has taken into account the EU's declared aim of achieving by 2003 the military crisis management capability, which was decided in 1999 at the Helsinki European Council. Finland is also involved in the development of the EU Member States' collective capabilities. The required readiness will demand additional resources.

Finland considers it important to participate in NATO-led crisis management operations in the future, too. Finland is seeking closer cooperation with NATO and its member countries in operations planning undertaken within NATO and in related decision-making in cases where Finland is to despatch troops to NATO-led operations. Traditional UN peacekeeper training and training under the Partnership for Peace programme will be combined.

The capability of Finland's rapid deployment force will be maintained and developed. The force includes two infantry battalions, an engineer battalion, a transport company and a CIMIC company (civil-military cooperation). The force also has two Navy minelayers as well as staff officers and military observers. At present, the force does not include any Air Force units, but the potential for Air Force participation in crisis management operations in the future is being investigated.

The aim is to extend the operational readiness of the force from the company and battalion level to the brigade level as well, with the objective of creating a joint Nordic capability for leading an international crisis management brigade.

Finland is developing its civilian crisis management capacity on the basis of its national approach and is prepared to establish the capacity required particularly for developing the EU's civilian crisis management capability. Preparations for international civilian crisis management support and those made for disruptive situations and exceptional circumstances at home support each other. The personnel and materiel for each of these activities is largely the same.

In 1997 the Government submitted a report to Parliament on developing civil resources for crisis management, on the basis of which a permanent body was set up for inter-ministerial cooperation led by the Ministry for Foreign Affairs.

Coordination and preparatory work for decision-making on civilian crisis management are the responsibility of the Ministry for Foreign Affairs and Ministry of the Interior. The Ministry for Foreign Affairs is responsible for coordinating civilian crisis management cooperation with the EU and international organizations. The Ministry of the Interior is responsible for coordinating Finland's national civilian crisis management capacity. The legal status of personnel participating in civilian crisis management will be clarified.

Finland is playing an active role in developing the civilian crisis management capacity of the EU. Finland is also developing its national capability in line with the EU's objectives, especially in four priority areas: police, strengthening the rule of law, and civil administration and civil protection.

Preparations are being made to raise the number of Finnish police available for international duties to between 60 and 70. The Frontier Guard is participating in measures to improve border control, both independently and as part of police operations.

To strengthen the rule of law in crisis-afflicted areas Finland is prepared to despatch experts to assist in developing the independence of the courts and of their activities and in the selection and training of judges and prosecutors, and to deal with accessibility to the law, legal procedures and enforcement of sentences. In conjunction with the Ministry for Foreign Affairs, the Ministry of Justice is organizing introductory training, the aim of which is that Finland should be able, if necessary, to despatch up to ten highly qualified legal administration experts simultaneously to civilian crisis duties.

Finland is prepared to provide assistance for other work to strengthen civil administration, above all in post-crisis planning and the start-up of regional and local administrative systems and related assistance, and in providing information technology expertise for setting up a population register system and basic registers.

The rescue services administration uses specially trained rescue personnel for its international activities. At full strength this means a total of about 200 rescue services professionals and other experts.

Precautionary measures and combating threats affecting society

Membership of the European Union and the general increase in international interaction have improved the level of crisis tolerance in Finnish society. At Finland's initiative, the Nice European Council decided to request the European Commission to undertake a fundamental review of the EU's security of supply, together with the Council secretariat, and to determine the scope for cooperation in this area.

At the national level it is still necessary to ensure the ability of society to function in all circumstances, thus securing both official functions and those of individual citizens and businesses. Finland's need to ensure security of supply is supported by the International Energy Programme (IEP) agreement and various bilateral arrangements.

Finland's system of precautionary measures is designed to safeguard the livelihood of the population and the country's economy, to maintain the legal system and to secure the territorial integrity and independence of the country. The precautionary measures cover both military and civilian measures, and concern both disruptive situations under normal conditions and times of exceptional circumstances. To ensure a level of crisis tolerance within society it is essential that precautionary measures are based on extensive cooperation as the activities in different sectors of society become more interdependent. Precautionary measures also link voluntary organizations and their services more closely than before to actions by the authorities, and at the same time take into account the growing international dimension. The system of precautionary measures has proved to operate well and to be appropriate.

The Government is to launch a major project to draw up a national strategy for precautionary measures, covering the principles and guidelines for precautionary measures taken in society. This will be the task of the Security and Defence Committee. The work will include definition of the areas vital to the functioning of society and drafting of necessary development plans. The strategy will be updated regularly and its main outlines incorporated in the next report on security and defence policy.

In internal security, the police are actively participating in international cooperation in the fight against crime. Nordic cooperation is progressing and similar cooperation with the countries around the Baltic Sea has begun. Cooperation between the EU's internal and legal authorities is also being enhanced.

During exceptional circumstances the population will be protected in civil defence shelters and other structures offering protection, or with the aid of evacuation measures. An investigation of the need for civil defence shelters and the obligation to build shelters will be carried out under the Ministry of the Interior. The capability to conduct rapid evacuation must be retained in all parts of the country.

To maintain internal security, Finland must be able to carry out credible border control in a manner that fulfils the EU requirements. Illegal immigration routes leading to Central Europe are becoming more difficult to use as the border controls of the Baltic States and countries of eastern Central Europe are improved. As a consequence, the risk of illegal immigration to Finland is growing. The threat is growing by Russia's plans to transfer border control resources to the southern parts of the federation, at the expense of other borders, such as that with Finland. Preparations must be made for dealing with large-scale illegal immigration in the future as well.

Maritime transport of oil products along the Gulf of Finland is growing, as is the transport of passengers across the same waters. This increases the risk of a major disaster. Together with the authorities of states bordering the Gulf of Finland, but also with those of all the Baltic Sea countries, Finland is seeking to develop arrangements which promote the safety of traffic in the Baltic Sea.

The Ministry of Finance has prepared a proposal to amend the Emergency Powers Act. The amendment would conform with the needs and requirements of Economic and Monetary Union and changes in the financial markets.

The 1995 Government decision on the aims for insuring security of supply will be revised.

SECTION I: THE SECURITY ENVIRONMENT AND FINLAND'S POLICY

1. SECURITY ENVIRONMENT

1. 1 International developments

Changes following the end of the Cold War have left a deep and permanent mark on European security. The threat of a large-scale military conflict in Europe remains small. Countries are increasingly driven by a common value base and have similar social and economic frameworks. Transparency in international relations, which applies increasingly to military considerations as well, makes conflict situations easier to foresee.

International security and national security are ultimately based on a range of factors, which may be political, economic or military, or may concern human rights, the functioning of society, public order or environmental matters.

The role of national borders and security within society are also affected by the lowering of barriers to international trade, advances in information technology and the increase in mobility.

The effects of globalization are mainly positive, but there are also problems. Globalization provides a chance to strengthen overall security, and as the interdependence of nations, economies and societies increases, it becomes easier to jointly resolve security problems. This, however, calls for the development of broad-based cooperation.

The trend is towards increasing and deepening international cooperation and integration. Central European countries working to achieve democracy and prosperity are seeking to reinforce their economic development and their security by applying for European Union and NATO membership. Poland, the Czech Republic and Hungary became NATO members in 1999.

At the same time, problems have continued in the former Yugoslavia, along with instability in the Middle East, the Caucasus and Central Asia. These will continue to require conflict prevention and crisis management resources in the future.

European integration is intensifying. The EU is increasing its influence not only as an economic actor but in the sphere of foreign and security policy too, by acquiring new means for crisis management. The Union is also improving its capability to prevent security problems and to strengthen comprehensive security. EU enlargement will significantly improve welfare and security conditions in the areas outside the present Union, and constitutes a key element in European stabilization and unification.

The United States continues to be the leading actor in international security. Its ability and desire to participate in solving international crises will be closely followed in Europe and other parts of the world. The United States has retained a central role in crisis management in the Balkans. It is also involved in security cooperation in the Baltic Sea region. The US policy on security and on Europe is significantly influenced by the United States' internal political and economic development. It as-

sesses its security interests from a global perspective.

The EU's strengthening position will have an effect on transatlantic relations. The development of a common foreign and security policy increases the responsibility of European countries for problems within Europe and will increase the scope for dealing with them. NATO will continue to be an important forum for maintaining US presence and US participation in Europe. NATO is responsible for its member countries' collective defence and promotes wide cooperation in crisis management.

Russia is striving to achieve economic reform and organized and democratic social conditions. Its internal circumstances are gradually becoming more stable but there are still many uncertainties. Russia is searching for its role as an actor on the international stage and in security issues.

Security risks and threats

Despite positive overall development, there are uncertainties affecting the security of Finland and its citizens within and outside Europe that must be considered in the Finnish security policy.

Regional or local conflicts could break out also within Europe or in its environs. Such conflicts could affect Finland indirectly, by reducing general security in Europe, or directly through, for example, economic or social factors.

The Balkans are, in many ways, still a vulnerable region, although a great deal of positive development has taken place. The government that came to power in Croatia at the beginning of 2000 has exercised a more constructive policy towards its neighbours and the entire region. New conflicts have been avoided in Bosnia-Herzegovina, although the reforms to create a well-functioning system of government and a more viable society sought by the international community have not been achieved. The most significant positive development has been the democratic opposition's victory in the Federal Republic of Yugoslavia's presidential and parliamentary elections and the Serbian parliamentary election in late 2000. The changes in Yugoslavia are opening up new opportunities for positive development throughout the Balkans and for cooperation within the region. Questions regarding Kosovo and Montenegro are still, however, unresolved and may create new confrontations as the events in southern Serbia and Macedonia demonstrate. Tension between ethnic groups is easing slowly.

During the past decade, the use of military force and violence against civilians, such as ethnic cleansing on a massive scale, has been the most alarming development for European security. Preventing further outbreaks remains a major challenge for international security. Respecting human rights and securing the position of minorities have become increasingly important elements in this work.

Experiences in the Balkans, East Timor and certain African countries have shown the necessity of the broad concept of crisis management. The shift that occurred in the 1990s from crises between countries to conflicts within individual countries, often involving an ethnic dimension, means that the international community must find a range of means to restore peace and the functioning of communities. Since blatant and massive human rights violations may threaten international peace and security, state sovereignty is no longer considered an absolute impediment to intervention.

In the Kosovo crisis, NATO resorted to military action in a situation which threatened international norms and which could have escalated into a conflict affecting European stability.

The proliferation of weapons of mass destruction and the uncontrolled spread and use of conventional weapons such as small arms remain a source of concern for the international community.

The latest wars and crises have shown that military force can be used not only against the opponent´s military power but also to paralyze infrastructure critical to the functioning of society. Before taking up arms, information-based operations are launched to conduct reconnaissance and to hamper opponent´s operations. Today's technically sophisticated and networked societies are more vulnerable than before.

Globalization and the development of information technologies are changing the geostrategic pattern. Increased use of commercial satellites, the convergence and wider use of information networks and increasing interdependence of economies and information networks also affect military considerations and reduce the importance of geographical distance.

In future, early warning of a military threat will be available earlier and will be more reliable. The chances of obtaining an up-to-date picture of the military situation will improve if the necessary technological and operational steps are taken to introduce new systems and to utilize the information they provide.

International and European security requires not only cooperation to prevent wars and armed conflicts but also the prevention of political, economic, ecological and information threats.

The international interdependence and the development of the global economy mean that countries are becoming more and more vulnerable to risks and threats that reach beyond national borders. In today's world, military conflicts are not the only threats to security: other threats include human rights violations, damage to infrastructure, information threats, disasters, terrorism, international crime, environmental change, epidemics and movements of people. Preventing these calls for many kinds of national and international cooperation.

The growing mobility of people has partly increased the risk of the spread of infectious diseases. In some countries, AIDS epidemics represent a threat to the very functioning of society. In areas neighbouring on Finland a resistant strain of tuberculosis has been spreading.

The importance of information in the production process is increasing and it has become a major factor in the economy and society in general. Information threats spread via information networks are increasing globally. They do not respect national borders and they are difficult to control. Information threats may originate from governmental organizations as much as from criminals or terrorists.

Tampering with information networks in a criminal manner or aiming to cause disturbance is already almost a daily event, even under normal conditions; such threats are not applicable only to exceptional circumstances. With careful planning, threats occurring in normal and exceptional circumstances can be significantly reduced, as was seen in the Y2K preparations.

Organized international crime is still increasing. Crime prevention and investigation calls for closer cooperation between the judicial authorities of different countries. The key element in international crime prevention is the fight against terrorism and trafficing in drugs, weapons and human beings. Financial crime has also become more and more international, and to fight against it, effective international police cooperation is needed. Information technology, more relaxed border controls and the fact that national borders can be crossed more easily will further increase the amount of interna-

tional crime.

Cases of organized crime have become more extensive and international, which has also been the case in Finland since the late 1990s. This has partly been due to the increase in international crime in Finland's neighbouring areas.

Terrorism is a threat to international security and to human rights, democracy and the rule of law. International cooperation has not been able to prevent some countries from continuing to support terrorist organizations. The potential of weapons of mass destruction getting into terrorist hands poses a particularly serious threat. Ensuring information security in tele-communications has become part of the fight against terrorism.

Although the threat of terrorism against Finland is not considered a major one, precautionary measures must nevertheless be taken.

Environmental change may pose a direct or indirect threat to the security of society. Armed conflicts may also cause environmental damage. Regional and local conflicts are often caused by disagreements over diminishing natural resources or the control of arable land and habitable areas.

Sources of nuclear radiation, especially nuclear power plants and nuclear waste, are potential risks in Finland's neighbouring areas. Emissions from industrial plants in the Kola Peninsula are causing pollution and threatening the health of people in northern regions.

The effects of disasters can extend into the territory of several countries. These include nuclear power plant and other serious radiation accidents and the release of damaging substances into waterways.

Maritime traffic in the Baltic Sea, especially shipments of oil products in sea areas near Finland, is on the rise, increasing the risk of disasters.

International cooperation in rescue operations has increased substantially in recent years. Rescue operations have also been incorporated into wider crisis management systems.

Crises may cause a sudden and large migration of people. Armed conflicts and the human rights violations that often accompany such conflicts may force people to become refugees. This may actually be the prime objective of groups that strive for ethnic unity or aim to gain control over a region or its natural resources. Major natural catastrophes, too, may lead to an uncontrolled wave of migration. Smaller-scale migration can often be explained by differences in the standard of living, but that too may affect security, for example by increasing tension between population groups in the destination country.

In order to prevent undesired migration, economic, social and democratic development and human rights must be supported in the country of origin.

1.2 The challenge of conflict prevention and crisis management

A change in the nature of crises in the 1990s has created new demands on international crisis management and at the same time placed increasing expectations on the development of conflict prevention. Increased international cooperation in the field of security policy and crisis management is improving the ability of the international community to prevent crises and to respond to them.

Conflict prevention and crisis management will continue to be key elements in improving international security. This is also significant to Finland's security environment.

Conflict prevention

The basis for an enduring peace and for stability and well-being can be achieved only in a democratic society. Local and regional conflicts often have their roots in undemocratic political systems. Other reasons for crises include human rights violations directed at minorities, and economic considerations. Armed conflicts nowadays mainly occur in connection with internal ethnic, religious or economic conflicts.

The principal task of the international community is to prevent crises before they erupt. This can be achieved by promoting democracy and human rights, particularly the rights of minorities, by strengthening the basis for a civil society and by supporting stable economic development. Conflict prevention strives to be a long-term activity, which, if started early enough, can strengthen communities' own crisis prevention ability. In its broadest sense, development assistance is, in fact, a form of crisis prevention, aiming to find solutions to structural problems of societies which in their later stages may otherwise lead to conflicts.

Crisis prevention is a great challenge to the international community. It requires an effective early warning system, sufficient means to deal with problems, a common assessment of the need for intervention, justification for doing so, and, in general, the political will to act in time. In addition to individual countries, many international organizations also maintain and develop an early warning system and mechanisms for the peaceful settlement of disputes.

Conflict prevention is the aim of the EU policy on stability and cooperation, the Council of Europe's support projects, the OSCE's field activities and, in many respects, the international cooperation under NATO's Partnership for Peace programme (PfP).

Military crisis management

Military crisis management has, in many cases, proved necessary to resolve crises and restore peace and security. The aim of peacekeeping operations is to prevent hostilities and to create the basic conditions for communities to function properly again.

The type of military action required will depend on the particular crisis. Apart from traditional peacekeeping operations, such as military observation and monitoring the implementation of ceasefire agreements, the international community will in future also have to engage in crisis management performed under reinforced mandates and rules of engagement. Conflicts in the former Yugoslavia and experiences of the IFOR, SFOR and KFOR troops show that, where necessary it must be possible to stabilize a situation without either the consent or assistance of the conflicting parties. Conflicts may involve not only government-controlled forces but also other armed troops and criminal factions.

In recent crises, peacekeeping operations have focused particularly on protecting civilians and ensuring that aid intended for civilians reaches its target.

Increasing focus has been placed on resolving the disputes causing the conflict and on bringing operations to a conclusion in order to avoid unnecessarily long intervention of the international com-

munity in crisis-afflicted areas.

Humanitarian intervention

Humanitarian intervention means military intervention by the international community or some other actor in an internal or international conflict, if necessary without the consent of the country in question, in order to save human lives, protect human rights and to ensure that humanitarian aid reaches its target.

According to the UN Charter, military intervention must be based on a Security Council resolution. Such a resolution cannot always be achieved. The latest crises and especially the air strikes in Kosovo have stirred debate on whether humanitarian intervention can be commenced without the specific decision of the Security Council, whether it is possible to agree on international criteria for humanitarian intervention, and whether disputes on the justification of interventions can thus be avoided.

It is vitally important that those guilty of crimes against humanity, war crimes and gross human rights violations are brought to justice. The aim is also to prevent human rights violations in future conflicts.

Civilian crisis management

International cooperation to make civilian crisis management more effective has intensified in recent years. Supporting democracy and establishing the rule of law has become the international community's central task in many recent crises. A stable society also needs a well-functioning local police force, the establishment and training of which is often impossible without the help of international civilian police officers. The international community may also need to revitalise the local government, which is essential if the country is to recover from the crisis. International cooperation is also important to draw up contingency plans for disasters and other rescue operations.

In practice, civilian crisis management means cooperation between authorities and experts via international organizations. Other bodies than inter-governmental organizations may also have an important role. Non-governmental organizations (NGOs) in particular are doing important work in alleviating the humanitarian repercussions of crises and in building a civil society.

One of the challenges faced in civilian crisis management is that there are often many different parties involved (the UN, special agencies, regional organizations, NGOs) compared with peacekeeping operations, which operate under a unified command. The organizations must agree on the division of tasks and the rules that are to be followed.

1.3 International security cooperation

Cooperation within international organizations has an increasingly important role in strengthening international stability, democratic development and security. Countries will seek to promote their interests through international cooperation and international organizations. These organizations support improvements in international security by acting as forums for resolving disputes, as instruments for formulating the views of the international community, as upholders of international norms and as organizers of common action.

The focus of action by the international community is to get countries which are violating interna-

tional norms of behaviour and human rights to comply with agreed principles. This is also of significance in the shaping of Finland's security environment.

United Nations

The United Nations is the only international organization with global competences in the area of security policy. The UN Security Council's prime responsibility for international peace and security defined in the UN Charter is universally accepted. Nevertheless, the Security Council, consisting of 15 member countries, has not always been able to reach a decision in times of crisis.

UN peacekeeping has a long tradition and the UN also participates in many different ways in the economic and social development of member countries in different parts of the world. At the beginning of 2001, the UN was involved in 16 peacekeeping operations, and this number is likely to increase. For resource reasons, the UN seeks the assistance of regional organizations in peacekeeping operations.

The debate on whether UN peacekeeping operations should be made more effective has been reopened due to the challenges posed by complex international crises. A report commissioned by the UN Secretary General (the Brahimi Report), which received wide support at the UN Millennium Summit in September 2000, will lead to reforms on UN readiness and strengthening of peacekeeping operations. For crisis management to be successful, mandates must be clear and credible and operations must be given sufficient authority to use force as required by the mandate.

In the former Yugoslavia and Rwanda, the work of the UN war crimes tribunals is important in ending the cycle of violence and building a lasting peace. The establishment of the permanent International Criminal Court (ICC) in 1998 significantly improves the chances of investigating and bringing to justice crimes of genocide, crimes against humanity and serious war crimes when national courts of law are unwilling or unable to do so. Thanks to the authority it commands, the ICC also has an important preventive effect. The international statute concerning the ICC has not yet entered into force. Finland ratified the statute in 2000.

The UN is increasingly focusing on crisis prevention and stresses that the reasons underlying a crisis should be addressed at as early a stage as possible. The UN therefore strives to strengthen democracy, promote human rights, increase equality and social development and predict and prevent environmental threats. Conferences organized by the UN in the 1990s have helped steer its operations in many fields towards crisis prevention based on a broad concept of security.

European Union

A key aim of the political and economic integration process that began in Western Europe is to improve European stability, security and prosperity. Economic integration in the European Union has progressed to the stage of Economic and Monetary Union (EMU), and the EU's political significance and its foreign and security policy role have increased considerably during the last few years.

The EU's enlargement policy has enhanced stability in Europe. By participating in the enlargement process, more and more European countries have been able to improve their democratic conditions and wellbeing and at the same time increase their security. The reforms to EU institutions and decision-making agreed at the Nice Summit in December 2000 create the structural prerequisites for EU enlargement. The EU has also embarked upon extensive cooperation with those European countries that are not candidates for accession.

The EU's ability to pursue a comprehensive range of political, economic and military means will now allow it the opportunity to prevent crises and to participate in crisis management.

The aim of the EU's common foreign and security policy is to safeguard the Union's common values, interests, independence and integrity, and to improve the security of Member States. The aim is also to promote peace and international security in line with UN and OSCE principles, to strengthen the principles of democracy and the rule of law and to respect human rights.

The Amsterdam Treaty, which was signed in 1997 and came into force in 1999, has made EU decision-making more effective and given it new tools for pursuing its common foreign and security policy. The Treaty expanded the scope of the EU's common foreign and security policy by adding crisis management to the EU's competence. These Petersberg tasks include humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management including peacemaking.

Although the EU is primarily a political and economic entity, its Member States have wished to strengthen their ability to manage crises in Europe and its environs by including military means, following experiences in Bosnia and Kosovo.

In December 1999, the Helsinki European Council decided on the outlines for the EU's military crisis management. A rapid reaction force is to be established by 2003, along with common resources, necessary institutional reforms and cooperation with NATO and other countries. The Western European Union (WEU) will cease to be an organization implementing crisis management tasks. It was also decided that civilian crisis management capacity will be improved.

On the basis of the Helsinki decisions, new political and military institutions have been working on a temporary basis since March 2000. The Nice European Council took decisions on the tasks and composition of the corresponding permanent structures. The Political and Security Committee was given permanent status in January 2001. The Military Committee was given permanent status in March 2001, when Chief of Defence of Finland, General Hägglund, was selected as chairman of the Committee. The Military Staff is to be given permanent status in summer 2001.

The Political and Security Committee consists of ambassador-level representatives from Member States. It addresses the Union's common foreign, security and defence policy. During military crisis management operations, the Committee will be responsible under Council authority for the political control and strategic command of the operation. The Committee also determines the guidelines for the activity of the Military Committee and handles its recommendations to the Council.

The Military Committee consists of the Chiefs of Defence of the Member States, represented in Brussels by their military representatives. The Military Committee gives advice and makes recommendations on military matters to the Political and Security Committee and provides military direction to the Military Staff. Duties of the Military Staff include early warning in relation to EU crisis management, situation assessment and strategic planning.

The Nice Summit agreed on crisis management cooperation between the EU and NATO and on the principles whereby the EU can have access to NATO resources and military infrastructure in EU-led crisis management. On the basis of these guidelines, the EU intends to reach agreement with NATO on the necessary arrangements during 2001. The Nice Summit also agreed on the principles of participation for non-EU countries. Within the framework of the arrangements between EU and NATO, militarily non-allied EU member states must be able to participate in work carried out by

NATO in support of EU crisis management operations.

It has been agreed that the priorities in civilian crisis management will be on police activities, strengthening of the rule of law and civil administration, and rescue services. In June 2000, the Feira European Council approved a concrete objective by which Member States are to establish the capacity to despatch 5,000 police officers for international duties. In June 2001, the Gothenburg European Council is expected to reach agreement on creating a pool of 200 experts on the rule of law and 2000 civil protection personnel. A special committee on the civilian aspects of crisis management was set up in June 2000 to develop the EU's civilian crisis management capacity.

NATO

NATO's basic functions are to maintain strategic stability in Europe and to ensure the collective defence of its member countries.

NATO's new post-Cold War role of maintaining military crisis management readiness and carrying out such operations will continue. NATO is currently the only international organization with the ability to handle militarily demanding crisis management tasks and military enforcement.

Due to the changes in Europe, NATO has begun cooperation with other countries in the Euro-Atlantic region, and cooperation under the Partnership for Peace (PfP) programme has become a key element in European security. The Euro-Atlantic Partnership Council (EAPC), formed in 1997, acts as a political and military forum for NATO and partner countries. This forum is used to direct PfP activities and to discuss matters of security policy. The Council consists of 27 partner countries (including Finland) and 19 alliance members, including all of Finland's neighbours.

According to a declaration made at the 1999 NATO summit in Washington, the purpose and the tasks of the Alliance have been modified to suit new needs. The collective defence of member countries' territory, as laid down in Article 5 of the Treaty establishing NATO, will remain the main task in the Alliance's strategic concept, but crisis management and PfP activities, started in 1994, have been included among NATO´s fundamental security tasks.

Operations under NATO leadership, and nowadays with the participation of PfP countries, are the first option in European crisis management, especially for demanding crisis management duties. The position of partner countries dispatching troops to NATO-led crisis management operations has improved at the planning stage of operations and in the decision-making process in accordance with the political-military framework laid down at the 1999 Washington Summit. Troops intended for crisis management are trained within the framework of the Planning and Review Process (PARP) is for identifying and developing troops which participating countries are prepared to make available for crisis management operations.

Finland participates annually in about 200 exercises or events connected with the PfP programme. Finland is also taking part in NATO-led crisis management operations in Bosnia and Kosovo (SFOR and KFOR). Finnish authorities are also participating in cooperation undertaken within NATO's civilian branches.

NATO's open door policy is a key factor shaping European security structures. In 1999, three new members joined NATO: Poland, the Czech Republic and Hungary. Nine countries are currently applying for membership. The next NATO summit meeting is scheduled for 2002, when new countries may be invited for membership negotiations. NATO has announced that it will invite new

members if they can fulfil the membership requirements and if their inclusion is consistent with NATO's objectives and will improve stability and security in Europe. Candidates are given assistance in meeting the membership requirements through the Membership Action Plan (MAP).

NATO and Russia signed a bilateral arrangement in 1997 defining their relations and stating the conditions for consultation and a mechanism for cooperation. In addition to the NATO-Russia Permanent Joint Council, Russia is also a member of the EAPC. Russia has sent troops both to SFOR in Bosnia and to KFOR in Kosovo. During the Kosovo air strikes, Russia suspended its cooperation with NATO, but cooperation has since been resumed.

OSCE

The Organization for Security and Cooperation in Europe (OSCE) retains its normative role in Europe in regulating conduct between states.

As the 1990s progressed, the OSCE expanded its role in preventing and resolving crises. It has focused particularly on arranging and monitoring elections, strengthening the rule of law, supporting democratic institutions and promoting respect for human rights and the rights of minorities. At the beginning of 2001, the OSCE had about 20 field operations in progress, involving over 3,000 people.

Operations focus on the Balkans and on the territory of the former Soviet Union. The OSCE has been struggling for years to solve what are known as 'frozen conflicts' in the former Soviet Union. No significant progress has been made in resolving them. The inclusion of the Federal Republic of Yugoslavia, which is undergoing democratization, as a participating state was a major step forward in November 2000.

The OSCE Summit in Istanbul in November 1999 agreed a politically binding Charter for European Security in which the participating States confirmed the durability of their common values and norms and set as their target a common security space based on the concept of comprehensive and indivisible security.

The Charter also lays down a platform for intensifying cooperation between the OSCE and other international security organizations. The platform is also used to improve cooperation amongst countries and international organizations whenever commonly agreed principles are violated or if some member countries are unable to implement them in their own internal development. The Istanbul decisions supplement the 1975 Helsinki Final Act and the 1990 Charter of Paris.

The Council of Europe

The Council of Europe aims to strengthen European stability and security by promoting pluralist democracy, human rights and the rule of law in member states. The Council has expanded considerably, with Russia, Ukraine, Moldova, Georgia, Armenia and Azerbaijan as new members.

The criteria for membership of the Council of Europe and the assistance and cooperation programmes applied to meet the criteria have proved to be useful in promoting democratic development. Monitoring adherence to the membership criteria and responsibilities is an integral part of the process with which the common value base is maintained and reinforced in Europe. The Council's work to improve human rights received a boost in 1999, when, on Finland's initiative, the position

of Human Rights Commissioner was created. The Commissioner has paid particular attention to crisis-afflicted areas.

1.4 Defence policy and military development

The overall situation in European security has improved. However, regional crises have affected European security more seriously than anticipated, as demonstrated by the crises in Chechnya and Kosovo.

As a result of changes in security environment, structural changes have been made to national defence systems and in international cooperation. Consequently, defence systems have been developed to allow quick and flexible response to situations, including international crises.

Multifaceted international military cooperation increases openness and trust between countries and improves the international community's capacity to prevent and resolve military conflicts.

Changes in the military threat will have an impact on the resources and mechanisms for national defence, which will differ from one area to the next. In particular, in those European countries with a favourable geostrategic position, the defence policy has emphasized the development of mobile forces with a rapid reaction capability and other crisis management capabilities. Irrespective of national threat scenarios, all countries retain sufficient capacity for military defence of their territory as a basis for security, either independently or as part of an alliance. Many countries are planning a professional army, while others retain general conscription.

NATO has launched a Defence Capabilities Initiative (DCI), which focuses on the development of high-technology military applications that can also be used in crisis management.

The countries that have applied for NATO membership are aiming to build or reform their defence to the level required by the Alliance, which will demand a considerable amount of resources to be allocated to the defence sector.

Although armed forces are, in the main, being reduced in Europe, combat efficiency is being improved by reforming the structure of the armed forces and by utilizing state-of-the-art technology.

Special areas of development in the armed forces include information warfare and command and control warfare, with the aim of paralyzing information networks and computer systems; strategic and operational mobility of troops; fire power using precision-guided weapons; and the capability to exert comprehensive control over the combat area. Combined use of the above will improve the military performance of new troops and systems many times over, compared to conventional armed forces. Developing armed forces along these lines will serve the demands of both national defence and international crisis management.

The rapid development and introduction of information technologies is of major importance to the development of armed forces. Research and development of the latest technologies is increasingly determined by market forces. The planning and building of these systems has also become more rapid. As a result, technical interaction between the armed forces and the rest of society has become closer.

Armies will retain their position as the principal service. Nevertheless, the emphasis in military operations will be on the use of high-tech weapons systems, especially air force and long-range preci-

sion weapons, and the use of special forces.

The United States has increased the technical superiority of its armed forces by directing more resources into military research and development than all other countries put together. US military development is also reflected in other countries' armed forces. Structural changes in the defence systems of European countries are following the same principles.

Reform in the Russian armed forces aims to follow a similar path, although a shortage of funds means that the US level will not be attained. Russia is emphasizing the role of nuclear weapons and the development of traditional armed forces.

Arms control and disarmament

The UN has retained its position as a central forum for disarmament negotiations. Results have been achieved through negotiation, but many questions remain unresolved and implementation is slow.

In recent years, international attention has increasingly focused on conventional weapons and related humanitarian issues. The reason for this is particularly the widespread and indiscriminate use of anti-personnel mines even in civilian areas, and the uncontrolled spread of small arms and light weapons in armed conflicts.

Intensified measures to prevent security problems caused by small arms and light weapons have been taken in different forums. In 2001, the UN will arrange an international conference on small arms and light weapons, at which it is expected to agree on an action programme and to create systems for marking weapons, improving their identification and limiting the arms trade. The OSCE has approved a document on small arms and light weapons to promote the same objectives.

The Ottawa Convention against Anti-Personnel Landmines, banning the production, stockpiling and use of anti-personnel landmines, came into force on March 1, 1999. The Convention has been signed by about 140 countries and ratified by more than 100. Finland has not signed the Convention, and neither have, for example, the United States, Russia or China. Signing the Convention means that the signatory country's stocks must be destroyed within the following four years.

Alongside the Ottawa Convention, restrictions on the use of anti-personnel landmines and regulations on their marking and detectability have been developed and are set out in Protocol no. II to the Convention on Certain Conventional Weapons (CCW). Finland has signed the Protocol and has participated in humanitarian mine-clearing operations in the Balkans, south-east Asia and Africa. The costs of the four-year mine-clearance programme (1998-2001) are FIM 120 million.

The ban on anti-personnel landmines and the monitoring of small arms are methods of global arms control by which conflicts can be prevented and the effects of crises reduced. They can also help in defusing crises and their after-effects. In addition to governments, non-governmental organizations play an important role in implementation of the mine ban and small arms monitoring.

The Treaty on Conventional Armed Forces in Europe (CFE) remains one of the cornerstones of European security. Thanks to the Treaty, the number of conventional weapons in Europe was stabilized at a reduced level during the 1990s with the aim of eliminating the possibility of a surprise or large-scale attack.

The thirty signatory countries to the CFE Treaty agreed on an amended Treaty at Istanbul in 1999,

replacing the previous regulatory structure with a flexible country-specific ceiling. According to this, countries are entitled, in addition to their own national defence equipment, to a country-specific territorial addition, which may include foreign troop equipment. Furthermore, signatories are allowed to receive foreign equipment to be deployed the country temporarily for the purposes of exercises, peacekeeping operations and in exceptional circumstances. Russia has the right to temporarily deploy equipment on its southern and northern flanks, that is, also along its border with Finland.

What makes the Treaty a stabilizing factor is that it covers most Central and Eastern European countries with its flank restriction restraint regime. National and territorial ceilings are the same for NATO's new member countries and CFE countries applying for NATO membership, which excludes the possibility of permanently stationed foreign troops or bases in these countries.

The ratification process of the adapted CFE Treaty is still in progress. When it comes into force, the Treaty will be open for accession by any OSCE country not currently a party to the Treaty. These countries comprise the EU's militarily non-allied states (Finland, Sweden, Ireland and Austria), Switzerland, the Baltic States (Estonia, Latvia and Lithuania), countries of the former Yugoslavia (Slovenia, Croatia, Bosnia-Herzegovina, Macedonia, the Federal Republic of Yugoslavia), Albania and the microstates. So far, interest in joining has not been great and has generally been expressed in connection with NATO membership aspirations.

Confidence and security-building measures (CSBMs), such as exchange of military information and increasing communication between countries, verification and transparency have retained an important role in Europe alongside the CFE Treaty and NATO's strengthening PfP network that emphasizes practical military cooperation. What is new in the 1999 Vienna Document on CSBMs is an even more pronounced stress on sub-regional and bilateral measures.

The 1992 Open Skies Treaty on military observation flights has been implemented on a temporary basis in the form of extensive test flights. Following the Treaty's entry into force, observer countries such as Finland could then join it. Finland is interested in doing so.

Some progress was made in the 1990s in the control and reduction of weapons of mass destruction. However, the comprehensive ban on nuclear testing has not entered into force. Agreement has not yet been reached on the verification of the treaty banning biological weapons.

The significance of nuclear weapons for military policy has changed as a result of the new situation in international politics and advances made in disarmament. Ratification of the START II Treaty by Russia promotes the continuity of strategic nuclear disarmament and paves the way for new talks between Russia and the United States. There is uncertainty regarding the continuation and implementation of unilateral commitments made by the United States and Russia on the reduction of tactical nuclear weapons, because they do not include verification or exchange of information.

As the level of conventional forces has been reduced, Russia has emphasized the role of nuclear weapons in its military doctrine. In the longer run, Russia will focus on renewing its conventional forces.

After the 2000 Review Conference the status of the Nuclear Non-Proliferation Treaty as a universal norm is firm, but the unstable situation in the Middle East and nuclear tests and nuclear programmes by India and Pakistan represent a challenge to the Treaty. The 2000 Review Conference on the Nuclear Non-Proliferation Treaty suggested that further cuts should be made in the number

of tactical nuclear weapons.

A major challenge in the coming years is to stop the spread of medium-range and long-range ballistic missiles and of missile technology. Ability to manufacture missiles is widespread and export controls are not sufficient in themselves. An international code of conduct has been negotiated amongst the parties to the Missile Technology Control Regime (MTCR), which is open to all countries. Finland will be chairing the MTCR until autumn 2001.

The United States is considering building a missile defence system and is currently assessing the options. Russia considers the project a breach of the 1972 Anti-Ballistic Missile Treaty (ABM). The United States and Russia are engaged in talks on the matter. A solution to the missile defence system and the ABM Treaty is also considered important to the future of other arms control treaties and especially nuclear disarmament. The missile defence project is also being discussed between the United States, its European allies and other countries.

Implementation of the Chemical Weapons Convention has started efficiently through to the establishment of an extensive verification system. Finland has invested a great deal of effort in the creation of this ban and is an active participant in its implementation. In future, the key question is whether Russia can implement its commitment to the destruction of its massive stores of chemical weapons. Destruction should be completed by 2007, and Russia has already been granted the first extension of two years.

Talks on the verification protocol of the Biological and Toxin Weapons Convention are in their final stages and the protocol should be completed by autumn 2001. The threat that these weapons may be used is growing.

1.5 Security and defence in northern Europe and the Baltic Sea region

Increased mobility of people and interaction have turned the Baltic Sea region into an increasingly important, dynamically developing region engaged in political and economic cooperation. Relations with Russia, EU accession negotiations by Estonia, Latvia, Lithuania and Poland, the EU's Northern Dimension and NATO's partnership and enlargement policy are all shaping the security environment of northern Europe and the Baltic Sea region.

Military factors and particularly military confrontation are no longer at the forefront as they were during the Cold War. However, non-military security problems across national borders have increased in the Baltic Sea region in the 1990s. Environmental problems and especially nuclear safety risks remain major challenges and emphasize the interdependence of countries in the region.

Countries around the Baltic Sea region are engaged in active cooperation. Nordic cooperation in particular has a long tradition. The three Baltic States also work in close cooperation, and procedures for cooperation have been established between the eight Nordic and Baltic countries. Cooperation in different fields is practised among all the countries in the region and also on a wider scale, especially within the Council of the Baltic Sea States.

The EU's Northern Dimension and the Union's active cooperation with Russia have established a key role for the EU in the region. With more countries in the Baltic Sea region wishing to join the EU, its importance in the region is set to grow significantly.

NATO's role has become more important in the Baltic Sea region in recent years. Poland joined

NATO in 1999, and NATO has also conducted PfP exercises in the Baltic Sea region.

Finland and Sweden have increased their security policy cooperation on the basis of their geographic proximity, EU membership and military non-alliance.

The strategic importance of the Danish Straits has changed. Militarily, the focal point has shifted eastward and lies in the maritime areas adjoining the Baltic States, Finland and Russia.

The military significance of the Kola Peninsula and the St. Petersburg region has increased. The Leningrad Military District is one of Russia's front-line districts and thus has a priority in the development of its armed forces. Kaliningrad's special position affects Russia's relations with its neighbours in the Baltic Sea region.

The future of nuclear disarmament between the United Stated and Russia will also affect the stability and security of Finland and its neighbouring areas.

The CFE Treaty and the confidence and security-building measures agreed on in the OSCE are aimed at reducing military concerns in the region. The amended CFE Treaty has no significant effect on the permanent placement of equipment in northern Europe. The joint Finnish and Swedish initiative in 1998 on additional inspections among neighbouring countries to supplement OSCE practices has led to practical measures.

A key factor undermining security in the Baltic Sea region is the friction, originating during Soviet times, in the bilateral political relations between Russia and the Baltic States (especially Latvia and Estonia). These problems are related to experiences of the past and minority questions.

Russia's foreign and security policy orientation and its political stability and economic development are important factors that influence the future of the entire Baltic Sea region.

The Baltic Sea and the countries bordering it form a link to Europe and the rest of the world that is vital to Russia. The Kaliningrad area, part of Russia but pocketed between Lithuania and Poland, emphasizes Russia's role in the Baltic Sea region.

Relations between NATO and Russia are a central factor in European stability and security, also in the Baltic Sea region. Russia has been willing to cooperate with NATO, emphasizing its special role among the partner countries. Nevertheless, it has viewed PfP exercises in the Baltic Sea with reservation and has not taken an active part in them.

Russia is opposed to NATO enlargement particularly into the areas which were earlier part of the Soviet Union and has indicated that it will take action if this happens.

EU's role in the Baltic Sea region

The European Union is supporting development in the Baltic Sea region in many ways. One example is implementation of the Northern Dimension programme, established at Finland's initiative and agreed on at the Feira European Council. The objective of the Northern Dimension is to promote stability, security, democratic reform and sustainable development in northern Europe on the basis of positive interdependence. This is to be achieved via the EU's external relations policy, the tools of cross-border policies for neighbouring areas (Phare, Tacis, Interreg), and member countries' national and joint programmes. The participation of international financial institutions is also being

sought.

The work of organizations promoting regional cooperation (the Council of the Baltic Sea States, the Barents Euroarctic Council and the Arctic Council) supports the EU's Northern Dimension. The Northern Dimension is guided by political dialogue between the Union and its partners. Defence and military cooperation are excluded from the scope of the Northern Dimension. In the long run, the added value of the Northern Dimension must pay dividends in the form of more effective and increasing cooperation in matters affecting the economy, energy production, use of natural resources, environmental protection and transport and telecommunications.

With its common strategy towards Russia the EU hopes to ensure more comprehensive and longer term treatment of its relations with Russia in Union institutions and Member States. The EU's aim is to support Russian stability and engage Russia in European and regional cooperation networks. The Partnership and Cooperation Agreement between the EU and Russia, which entered into force in 1997, offers a good and extensive framework for cooperation and development of relations.

Russia has taken a positive attitude towards EU enlargement, but has expressed its concern about the effects on trade between new member states and itself, and on interaction across borders. Russia is also concerned about the future status of Kaliningrad. The effects on trade will be mainly positive, as future Member States' customs duties will be reduced to EU levels.

Cross-border cooperation promotes stability and security in a practical manner. One of the main forms of cooperation is that between police, justice and border authorities. It forms the basis for tackling cross-border crime, the trafficing in drugs and human beings, money laundering, financial crime and illegal immigration.

Russia

Russia is continuing its transition toward democracy, rule of law and a functioning market economy. However, there are still uncertainties surrounding the country's future development.

The Duma and presidential elections of 1999-2000 were signs of a gradual stabilization of the political system in Russia. The aim is to strengthen the central administration, but its relations with the different regions are still taking shape.

Economic changes are continuing in Russia. Prospects are, however, overshadowed by structural problems, and overcoming these has proved to be slow. Industrial and other infrastructure is in a poor state. Russian exports mainly consist of energy, metals, raw materials and weapons, and budget revenue is heavily dependent on trends in world market prices.

Russia's adjustment to new geographic, economic and political realities is still in progress. Despite internal difficulties, Russia aims to increase its political influence in the international arena in the CIS, Europe and globally. As a permanent member of the UN Security Council Russia emphasizes the role of the United Nations. Russia also feels that it is losing influence in Europe, especially due to NATO enlargement.

It can be argued that Russia's security problems lie mainly in the south. Islamic fundamentalism is a challenge not only in the Caucasus but also in Central Asia.

The policy adopted by EU and NATO member states towards Russia as it proceeds through its pe-

riod of transition has been one of cooperation with the intention of increasing contacts with Russia. The prospects for relations are good, provided that Russia takes a constructive view towards improving cooperation.

In recent years, Russia has paid more attention to the importance of a strengthening EU as its partner and the EU's increasing role in European politics. Russia's relations with Europe are characterized by an economic dependence on EU markets. Close to 40% of Russia's foreign trade is with EU countries, and this figure will grow as the EU enlarges. Relations between Russia and the EU and its Member States is a central factor in maintaining European stability. In addition Russia has indicated its interest in participating in the EU's crisis management.

Relations between Russia and the United States continue to be one of the key factors shaping international security.

Russia's position as a great power in the military sense is based on parity in nuclear weapons with the United States. The number of nuclear weapons on either side has been reduced considerably and will continue to be, although there are uncertainties linked to this process. It has been estimated that for economic reasons alone Russia will have to reduce its strategic forces' strength to 1,500 nuclear warheads.

The strong contraction of the Russian economy has led to considerable fluctuations in the defence budget. This has reduced the capability of the armed forces, affecting training and personnel and the quality and quantity of materiel. Adapting the armed forces to the prevailing realities and economic restrictions has not been without difficulties.

The materiel at Russia's disposal is rapidly becoming increasingly obsolete and currently it appears that large-scale replacement cannot begin until 2010-2015. The capacity to develop and manufacture new materiel has been maintained by exports of weapons and by the few domestic orders. The capability of the newest equipment has been largely preserved and some improvements have been made through modernization.

Russia aims to retain nuclear parity by reducing the number of strategic nuclear arms reciprocally with the United States. Russia's ability to maintain a deterrent on three fronts - weapons systems launched from land, sea and air - is uncertain without substantial cuts in nuclear weapons and without additional financial resources.

In the past ten years Russia has devoted 16-22 per cent of its state budget to defence. Defence expenditure has grown from 143 million roubles in 2000 to 219 million roubles in 2001, an increase in real terms despite inflation. This accounts for about 17 per cent of government expenditure and 2.6 per cent of GDP. Russia aims to increase the state defence budget to 3.5 per cent of GDP.

A significant proportion of the funds used for defence are still channelled past the actual defence budget. In addition to the defence forces, Russia has a considerable number of armed organizations at different levels, mostly for internal duties, totalling an estimated 3 million people, of whom over 2 million are soldiers and the rest civilians. As part of a reform programme, Russia is in the process of reducing the number of defence personnel and other armed units by 600,000 (470,000 military and 130,000 civilians).

Russia currently has about 600,000 men capable of military land operations, of whom 70,000 operate in ten high-readiness formations and the rest in 20-30 formations of lower readiness or in branch

or support troops. Russia's aim is to develop the high-readiness formations into a modern and mobile force consisting of professional soldiers capable of engaging in large-scale warfare. They could also be used in crisis management operations and to contain regional conflicts. Russia also has some troops in a number of the other CIS countries.

In the 1990s, Russia was twice engaged in a war in Chechnya, and the conflict is still continuing. Experiences from the war have accelerated the development of Russia's armed forces.

Russia maintains a significant military force and readiness in the Leningrad Military District, covering both the Kola Peninsula and the St. Petersburg area. Russia's objectives in northern Europe are related above all to opposing NATO enlargement, maintaining a strategic nuclear deterrent, and protecting the St. Petersburg area and the trade route in the Baltic Sea.

The Kola Peninsula offers a base for naval and air components of Russia's strategic weapons systems. As the number of its strategic nuclear submarines available is being reduced, most of the remaining vessels are concentrated in the Northern Fleet. For financial reasons, the future of the strategic nuclear submarine fleet is uncertain. Tactical nuclear weapons continue to be deployed in the Leningrad Military District.

The Leningrad Military District has one airborne, one Marine and two Army high-readiness formations. The number of lower readiness and mobilization formations is still considerable. Protecting St. Petersburg and the Kola region are key tasks of Russian air defence. The Leningrad Military District has some 400 combat aircraft and helicopters. This number will be reduced in the next few years, but Russia's aim is to modernize the remaining equipment. The majority of the Baltic Sea Fleet is stationed in or relies on the Kaliningrad region. All the troops in the area are subordinate to the Baltic Sea Fleet.

In security and defence policy planning, consideration must also be given to possibility of unfavourable developments. Development in Russia and its policies may in future lead or contribute to a crisis affecting northern Europe and the Baltic Sea region, mainly under three scenarios:
1) Technology-based environmental catastrophe;
2) Increasing tension in relations between Russia and the Baltic States; and
3) Failure of Russian reforms, Russia's isolation and a major change in foreign and security policy.

Predicting the future of Russia's role in the Baltic Sea region is difficult. Despite the problems, Russia is likely to continue its social and economic reforms. At the same time, its foreign and security policy will probably also be aimed at increasing Russia's influence particularly in neighbouring areas.

Sweden

Sweden's defence policy has undergone a thorough re-assessment in the late 1990s.

Sweden has concluded that there is no possibility of an large-scale attack leading to the country's occupation within the next ten years, provided that its defence capacity remains sufficient. But an air attack or military actions with limited objectives are considered possible even in the current security situation.

The reorganization of Sweden's defence forces will be completed by 2010, in accordance with the plan approved by the Swedish parliament in 2000. The scope of military defence and its implemen-

tation will be redefined. Instead of developing capacity to repel an invasion, aimed at an occupation of the Swedish territory, resources will be directed at developing mobile and flexible armed forces with considerable fire power. The aim is to reduce the defence budget from the current FIM 28 billion (thousand million) by about 10 per cent by 2004. In 2001, Sweden's defence expenditure accounted for 2.0 per cent of its GDP. In addition to the defence budget, Sweden will also be using other funds to finance the structural reorganization.

The re-assessment of Sweden's defence policy emphasizes the maintenance of a solid basis for military defence. The defence system will be developed by improving the adaptability of the armed forces, so that they can respond more quickly to new threats, and, if necessary, military resources will be increased to reflect any changes in Sweden's security environment.

The structural changes mean the abolition of over 50 peacetime headquarters or garrisons. The number of employed personnel will be reduced by over 7,000. General conscription is maintained, but less than one third of the eligible intake each year (about 18,000 of 50,000) will be given training as conscripts. The conscription of women is still under discussion, with a decision due in the defence decision of 2001.

The number of HQ will be reduced from 26 to five, and the number of command levels from five to three. In national defence duties and international crisis management operations the operational troops of all services in the Swedish defence forces will be directed from a joint operational command. The current intermediate level of administration, consisting of the regional commands and the military provinces, will be abolished and replaced by four new military districts responsible for local defence and home guard arrangements.

Of Sweden's wartime troops, the army will be affected most. The number of brigades will be reduced from 12 to four, in addition to which two brigade commands will be established. Materiel for army will be modernized and a new multi-level fire-support system will be developed by 2010. The number of independent battalions, operating under the Army, that perform special duties will be raised to about ten. These will include an air mobile battalion equipped first with transport helicopters and later combat helicopters, and new types of security battalions equipped with armoured vehicles. The security battalions are intended, for example, to protect key targets and the highest political and military leaders against terrorist strikes and against strikes by special forces. Some of these should be combat-ready within hours, and they could also be used in international operations.

The personnel belonging to operational and local troops in the Swedish Army consist of cadres and of conscripts under the age of 30. They will be equipped with almost 300 modern tanks and over 500 armoured combat vehicles.

Significant cuts will be made to the Swedish Navy, with the scrapping of fixed and mobile coastal artillery. Swedish submarines will continue to preserve their dominant position in the Baltic Sea. Surface units will consist of about ten versatile corvettes capable of operating in the open sea, and mine-hunters.

The Swedish Air Force is the least affected by the structural reorganization. All the JAS fighters ordered will be delivered, which will bring the number of modern fighters in Sweden to about 200. An airborne air surveillance system will cover Sweden's entire airspace. The new surface-to-air missile system will supplement the air defence of strategic areas.

The structural changes aim to create sufficient reconnaissance and surveillance capability and to

improve troop mobility and versatility. The capacity of the Swedish Defence Forces to support other authorities in exceptional circumstances will improve. According to the plans, the Swedish defence forces will have full interoperability with NATO standards by 2010.

Changes made in the command and control system will improve the response and cooperation capacity of rapid deployment forces of all services and establish a clearer division between the duties and principles of use of operational and protection forces. As a result, the use of operational troops will no longer be regional but national. The military districts that replace regional commands will ensure that Sweden retains command capability in territorial defence. The combination of protection forces and home guard units to replace the brigades will ensure that the entire country has an efficient comprehensive territorial defence system.

In addition to threats from conventional weapons, the Swedish government's proposals draw attention to countries or groupings which by threats, terrorist acts or other violent means may try to pressure Sweden or to influence it. Weapons of mass destruction continue to be considered a threat, and information warfare is seen as an increasing threat to Swedish society.

Sweden promotes international cooperation on security and conflict prevention and regards its own input in this area as increasingly important. Sweden has decided that its ability to participate in international crisis management must be improved.

Norway

Norway's security policy is based on its NATO membership and active crisis management cooperation with international organizations and the EU. Norway's ability to both accept military assistance from NATO and provide support to NATO is still essential. To maintain its position in European crisis management, Norway aims to establish arrangements with the EU for participating in EU-led crisis management operations.

In February 2001, the Norwegian government completed a defence programme proposal which will be discussed in the Norwegian parliament in June 2001. The proposals concern the duties of the Norwegian defence forces, Norway's international military cooperation, military service and total national defence, to be applied in 2002-2005.

The starting point in Norway's defence programme is that the defence budget should remain at the current level, at FIM 18.8 billion (thousand million)(NOK 27.2 billion), equivalent to 1.94 per cent of GDP. The changes will also be funded by a separate sum of FIM 7 billion up to 2006.

According to the proposals, the system of administration in the Norwegian defence forces will be simplified, the Chief of Defence and the Defence Staff made part of the Ministry of Defence, and the defence forces leadership concentrated into a joint HQ for all Services. This would operate together with the NATO HQ in Stavanger. General conscription will be maintained and approximately half of the annually eligible intake would be trained.

Norway's wartime ground forces will be reduced to some 40,000 soldiers. All military formations will be capable of mobile operations in the future. The home guard will consist of some 60,000 soldiers to be used in territorial defence. Cuts will also be made in the Navy and Air Force, and functions will be centralized. The number of regular personnel will be reduced from 24,000 to 18,000.

A pool of 3,500 Norwegian soldiers are pledged for international duties, with 1,500 available for

duty at any one time. Increased readiness to participate in crisis management operations is an integral part of the reform of the Norwegian defence forces.

Estonia, Latvia and Lithuania

Political conditions in Estonia, Latvia and Lithuania have stabilized and their democratic development has been rapid. All three countries are negotiating European Union membership. They are considered to fulfil the political criteria for membership.

There is a large population of Russian-speakers in the Baltic States, partly as a result of the Soviet era. About 30 per cent of the Estonian population speak Russian as their first language, of whom about 100,000 are Russian citizens and 250,000 have no citizenship. Latvia, with a Russian-speaking population of about 45 per cent, is estimated to have over 400,000 people without citizenship, but only a small number of Russian citizens. Estonia and Latvia have devised an integration programme for minority groups, and their legislation dealing with minorities has been amended to conform with international requirements in recent years.

Russia has not yet normalized its relations with the Baltic States citing as a reason the position of the Russian-speaking minorities. It has initialled but not signed the Border Agreement with Estonia and Latvia. Although the position of the small Russian minority in Lithuania and the position of other minorities was already resolved in connection with regaining independence by granting them citizenship, Russia has not ratified the border agreement it signed with Lithuania.

The Nordic countries are key supporters of stability and reform in the Baltic States and of their EU membership aspirations.

The United States has supported the Baltic States by signing the US-Baltic Charter of Partnership in 1998 and by support through bilateral means. The US has also launched its Northern Europe Initiative, with the intention of supporting stable development in the region in line with the EU's Northern Dimension policy.

The Nordic countries and other Western countries have been supporting the sovereignty of the Baltic States since the beginning of the 1990s by assisting in the development of their defence and border controls. BALTSEA, the grouping of Western countries comprising the Nordic countries, the United States, Germany, Great Britain, France and Poland, has provided support to the Baltic States to organize their national defence, to develop joint defence cooperation and to participate in international peacekeeping. Cooperation has taken place in the form of the Baltic States' joint peacekeeping force (BALTBAT), an air surveillance system (BALTNET), the Baltic Defence College (BALTDEFCOL) and the Baltic Naval Squadron (BALTRON). Assistance has been coordinated by the BALTSEA Working Group, which Finland chaired between 1998 and 2000. In 2000-2001 Finland is chairing the BALTSEA Steering Group.

Finland has concentrated its support on developing of Estonia's defence capability and has donated equipment and materials to the Estonian defence forces, mostly for training purposes. A significant number of Estonian soldiers have been trained in Finnish military schools (the National Defence College and the National Defence Institute), and new Estonian students will be accepted until 2002, after which further training will be provided to those who have undertaken the Finnish basic training. Another important target of assistance has been Estonia's frontier guard.

A Finnish project operating in Estonia since 1996 has provided experts to support the development

of Estonia's national defence. At the beginning of 2001 it became a Baltic project. The Project is being scaled down because some parts of it, such as the Reserve Officer School, Field Artillery and National Defence Courses, have been transferred to Estonian responsibility. The reductions will be made gradually, with the project ending in 2004. The intention is to extend cooperation in a more limited form also to Latvia and Lithuania.

Estonia, Latvia and Lithuania were recognized as possible future member countries at the NATO summit in Washington in April 1999. They have been participating in the membership action programme since autumn 1999. The most visible goal in developing their defensive capacity is to increase their defence budgets to 2 per cent of GDP, as required by NATO. This requirement should be met in 2001 in Lithuania, in 2002 in Estonia and in 2003 in Latvia.

An exceptional opportunity for the rapid acquisition of defence materiel will arise as a result of Sweden's decision to make cuts in its defence forces in the very near future. The Baltic States will be able to obtain substantial amounts of reasonably modern defence materiel from Sweden mostly free of charge or at a very low cost.

2. FINLAND'S SECURITY AND DEFENCE POLICY

The aim of Finland's security policy is to promote the security and well-being of the nation and its citizens and to protect the basic values of society in a world of increasingly close cooperation. Foreign, security and defence policy measures aim at maintaining Finnish independence and ensuring that Finland can protect its interests as the international situation changes. These elements are increasingly linked in today's security environment.

The basic components of Finland's security and defence policy can be summarized as follows:

1. Maintenance and development of a credible defence capability.
2. Remaining militarily non-allied under the prevailing conditions.
3. Participation in international cooperation to promote security and stability within the UN, OSCE, EU and NATO's PfP framework, and emphasizing Nordic cooperation.

2.1 Security and defence policy instruments

Finland is constantly re-assessing its military non-alliance and the functioning of crisis management and security cooperation in Europe, taking into consideration changes in the regional security environment and developments in the European Union. Finland makes its choices independently and aims to have the best means available to ensure its national security in all circumstances.

Finland's participation in international cooperation aimed at preventing conflicts and managing crises also serves to strengthen its own security.

By improving its security cooperation and operational capacity in line with UN and OSCE principles within the EU, within NATO Partnership Cooperation and with the other Nordic countries in international crisis management, Finland will improve its own capacity to manage crises and threats affecting the country. Engaging in international cooperation also supports Finland's precautionary measures aimed at securing key functions in society in times of exceptional circumstances.

In Finland's view, greater focus should be placed on conflict prevention. Prevention reduces significantly human and economic costs in comparison with action taken during and after an actual con-

flict.

Influencing the factors causing a crisis at an early enough stage is particularly important. The key security factors in Finland's view are democracy, rights of minorities, human rights and economic well-being. Finland is therefore an active participant in international cooperation to promote these aims. Finland also emphasizes the importance of a viable civil society in crisis prevention.

The crisis management ability of the international community must be improved so that new and changing crises can be resolved and prevented from spreading. Military crisis management capability must be further developed and must be resorted to when necessary to prevent conflicts. If a crisis erupts, military action must be used only when negotiations and other methods prove insufficient. The capacity for civilian crisis management must be improved through both national and international action, and this must be coordinated with any military actions.

Finland takes an active part in civilian crisis management cooperation and is developing its national capacity for such crisis management.

Finland can participate in military crisis management operation run by the UN, OSCE, EU or NATO, provided that the operation is carried out under a UN Security Council or OSCE mandate.

Humanitarian intervention is based on the need to protect civilians, in a crisis situation or military conflict. Finland considers the development of common norms for humanitarian intervention to be essential in order to clarify the political, judicial and moral base of these operations. Commonly agreed guidelines must render the UN Security Council operational in its duties laid down in the UN Charter. International law should be strengthened by seeking to prevent war crimes and crimes against humanity, such as ethnic cleansing, and by punishing those individuals found guilty of such crimes. The status and effectiveness of the International Criminal Court must be secured.

Finland takes an active part in international work to prevent the proliferation of weapons of mass destruction and to minimize the threat they pose. Finland is also participating in the work to restrict the spread of small arms and light weapons.

Finland will continue to invest resources in the work of the United Nations and support the UN's role in resolving international security problems. The UN Security Council must be able to fulfil its duty more effectively than hitherto in maintaining international peace and security as laid down in the UN Charter. Finland is prepared to participate in UN peacekeeping operations also in the future and it supports the UN's wide-ranging global work to promote democracy, human rights and well-being.

The European Union's role has become increasingly important in the realization of Finland's security interests and goals. Finland's participation in the EU's common foreign and security policy complements and serves to further develop of the country's national security policy. By actively seeking to develop the European Union's common foreign and security policy, Finland is able to strengthen its influence in international affairs and to further its own security objectives.

A strong Union based on solidarity will also benefit Finland's security situation and help to prevent the eruption of crises that may affect Finland, as well as improve Finland's ability to deal with such crises. Strengthening the effectiveness of the EU remains a firm basis for Finland's policy on Europe. As an EU member, Finland plays a role in promoting the stable development and security of its neighbouring areas and Europe as a whole. Finland supports Union enlargement, as this is of key

importance to stability and security in Europe.

Finland emphasizes that EU crisis management should be implemented using the comprehensive range of means available to the EU. Military crisis management must be based on a decision made autonomously by the EU and must strengthen its solidarity and identity. Together with civilian crisis management, military crisis management capability must be available to support political and economic action taken by the Union. Maintaining effective crisis management resources will also increase the Union's credibility on the international stage. Building up the EU's capacity to operate in cooperation with NATO will strengthen both European crisis management and transatlantic security cooperation. The EU's crisis management resources must be made available to the UN or the OSCE when necessary.

Finland is contributing to implementation of the EU's common headline goal. Development of Finland's rapid deployment force aims to maintain the readiness and capability to participate in EU-led crisis management operations. The assignment of troops and resources to any EU-led operation, however, will always be based on a case-by-case decision made by the country sending the troops. Finland is also closely involved in efforts to develop the common capabilities of Member States which is necessary if the Union is to operate independently and credibly in the longer run.

Finland is taking an active role in developing the Union's civilian crisis management capacity. Finland will provide its own share of the common commitments laid down in the European Council for the creation of a police force capable of international duties. The resources to improve the rule of law, civilian administration and rescue services are also being further developed.

Finland seeks to act in a manner that ensures the retention of enduring links between Europe and the United States. Finland supports the preservation of strong transatlantic relations in matters concerning Euro-Atlantic security. Finland supports the development of cooperation between the EU and the United States in questions concerning European and international security.

Finland considers NATO a military security organization of central importance to the Euro-Atlantic area. NATO has grown into a major crisis management organization which also practises extensive cooperation with non-NATO partners. Finland is one of the countries engaged in security cooperation with NATO (PfP, EAPC) and continues to be prepared to participate in NATO-led crisis management operations under a UN or OSCE mandate, subject to decisions being taken on a case-by-case basis.

Finland is improving its readiness for military crisis management by developing its capacity for international cooperation and its rapid deployment forces in accordance with NATO´s PfP cooperation. In NATO-led crisis management cooperation, Finland is seeking to strengthen the position of partner countries. In cases where Finland is to participate in an operation, it is especially interested in closer cooperation at the planning and decision-making stages of the operation.

Finland is following NATO's enlargement very closely and holds that countries have the right to choose their own security arrangements. NATO maintains considerable responsibility for security in Europe. If NATO decides to take new members, enlargement should, in Finland's view, be carried out so that it strengthens security and stability for the whole of Europe. Solutions reached must prevent the creation of new dividing lines and spheres of interest.

Finland supports the OSCE as an organization that implements and reinforces the commonly agreed normative base of international relations. Finland is of the view that the OSCE's field operations

aimed at crisis prevention and management have the effect of improving conditions for European security. Finland makes resources available for this work.

Finland considers the work done by the Council of Europe to promote democracy, the rule of law and human rights to be very important. Finland actively supports assistance and cooperation programmes organized by the Council of Europe in new member countries and stresses the importance of monitoring the compliance with membership requirements in all member countries.

Supporting stable and democratic development in northern Europe remains a key area in Finland's foreign and security policy.

Nordic cooperation will continue to be significant in the Baltic Sea region. Nordic crisis management cooperation is well established and Finland aims to strengthen it further. Finland maintains close dialogue on security issues with the other Nordic countries, especially Sweden.

Finland closely follows developments in Russia and their effect on the security and stability of Finland's neighbouring areas. Finland hopes that Russia will become a stable, democratic and prosperous country committed to international cooperation in accordance with OSCE values and principles. Through bilateral relations (especially cooperation with Russia in nearby regions), other regional cooperation, the EU's Common Strategy on Russia and the Northern Dimension, Finland is supporting the reforms in Russia and Russia's commitment to cooperation and constructive partnership in Europe. The Finnish Government also supports and promotes Finnish-Russian connections in civil society.

Finland has a key role in influencing the implementation of the EU's Common Strategy on Russia, which on the one hand addresses Russian development problems and on the other hand seeks to involve Russia more closely in European cooperation. This is the basis for Finland's attempt to promote cooperation and partnership between the EU and Russia. The key aim is to reduce the economic and social divisions and to prevent the normative gap from widening. This is vitally important to European security in the long run.

Finland plays an active role in the implementation of the EU's Northern Dimension programme, which offers a long-range operating model for sustainable security in Finland's neighbouring areas. The development of Russia's policy towards the EU is creating new options for cooperation projects that can also help to resolve security challenges. Finland takes an active part in cooperation regarding the Baltic Sea and the Barents and Arctic regions and aims to promote projects of importance to Finland.

Finland will continue to support the Baltic States in their efforts to strengthen their international position and security and to become EU members as quickly as possible. Finland regards the improvement of relations between the Baltic States and Russia as a central goal. EU membership of the Baltic States will make it easier to resolve disputes between the countries and Russia and to stabilize relations. Poland's accession to the EU will also promote stability and reform in the region.

In accordance with OSCE principles, the Baltic States have the right to choose solutions that are best for their own security. Improving the international position of the Baltic States will support stability in northern Europe, increasing security and benefiting all the countries concerned in the region. Confidence and security building measures amongst the countries of the region can be further expanded on the basis of the initiative by Finland and Sweden.

Strengthening military stability will continue to be important to northern European security. Finland is closely following the progress made in the limitation of conventional weapons. Finland pays particular attention to the realization of commitments concerning reductions in US and Russian tactical nuclear weapons.

The security of Finland and its citizens is affected by a number of other, non-military factors. Finland is improving its readiness to repel such security risks, especially international crime and risks concerning the environment, health and disasters, including problems concerning nuclear safety. This is where international cooperation in the EU and international organizations is essential. The Tampere European Council in October 1999 agreed on principles to increase freedom, security and justice in the region.

Finland is in an advantageous position in the globalization process. It is taking an active part in developing methods with which the international community could respond to problems and security risks caused by globalization.

Finland will intensify its national capacity to deal with the effects of globalization and with security risks. Capacity to acquire and analyse information on globalization will be improved. The operation and coordination of the various sectors of government in Finland will be improved in order to control the new security challenges on the basis of jointly agreed and regularly revised views. Cooperation with business sector, research and educational establishments and non-governmental organizations will also be intensified.

2.2 Requirements of military defence and crisis management

Finland must continue to have a credible defence capability in order to maintain national sovereignty and territorial integrity. A credible defence capability prevents in advance the creation of military security threats. Judging by developments in the operating environment, this need will continue to exist in the longer run.

Finland takes decisions concerning development of its defence policy and national defence on the basis of its geopolitical position and historical experience, and assesses its needs in the light of the international security environment.

Finland's defence capability must be sufficient to secure the country's territorial integrity and independence and the livelihood of its citizens. Creation of capabilities for receiving assistance in a crisis situation is taken into consideration when developing Finland's national defence.

Finnish security and defence policy focuses primarily on crises that affect Finland. Foreign and security policy measures and international cooperation have an increasingly important role in preventing and handling such crises. Finland's membership in the European Union raises the threshold to exert pressure against Finland. It also offers Finland a means to resolve conflicts and increases the options available to receive assistance to repel threats.

As part of its comprehensive security policy, Finland's defence policy and national defence capability provide the Government with the means to increase the readiness of national defence and to direct it to counter changing threats of various types, and to participate in international operations to manage such threats.

The assessment can be made that Finland is under no separate military threat in the foreseeable fu-

ture. Despite this, Finland must be able to protect its territorial integrity in all situations. Finland's national defence capability contributes to the maintenance of stability. Finland must be able to prevent and, if necessary, repel any attempt by a foreign country - whether by force or threat of force - to subjugate Finland or to use Finnish territory against a third party.

Finland intends to increase its national defence preparedness and to take other military action in connection with a crisis which affects its neighbouring areas, if force is used or threatened. Uncertainty concerning Finland's territorial integrity and the country's ability to act will be dispelled by political and military means focusing on prevention and countering the threat.

If international tension increases, Finland must be prepared for a situation in which it becomes the object of a strategic military strike with the intention of paralysing its national leadership and society in general, and of pressuring Finland. Finland must maintain and develop its defence capability so that it can repel any attack that threatens key elements of Finnish society.

If the current developments in the security environment continue, a large-scale attack on Finland is unlikely. Finland will nevertheless maintain a defence system to repel such an attack in the event that the situation deteriorates.

One of the tasks of the Finnish Defence Forces is to have a capability for managing crises in unstable regions outside Finland's borders. The objectives of national and international action are increasingly consistent with one another. Amendment of the Peacekeeping Act has improved Finland's possibility to participate in developing international crisis management. Finland can provide rapid deployment forces for use by the UN, the Nordic forces pool and EU-led and NATO-led crisis management operations. Nordic crisis management is being further developed, also with the aid of joint planning arrangements.

Finland is committed to fully participating in development of the European Union's crisis management capacity and forging closer cooperation between the EU and NATO. Finland is continuing its PfP cooperation with NATO and is developing its crisis management capacity in line with the Planning and Review Process (PARP).

Finland considers the CFE Treaty to be one of the cornerstones of European security and stability. The Treaty provides signatories a channel for obtaining military information and the opportunity to participate in the development of a pan-European system of arms reduction. Finland's national defence solution strengthens stability in its neighbouring areas and in Europe in general and is in harmony with the principles of the adapted CFE Treaty.

In order to fulfil the adapted CFE Treaty's requirements on information exchange and verification, Finland would have to make changes in its mobilization system, which would have a significant effect on the credibility and costs of its defence.

In the current situation, Finland does not deem it necessary or even possible to sign the adapted CFE Treaty, but is following its implementation and effects closely.

Finland supports an effective and global ban on anti-personnel landmines and is participating in the EU's work to promote the objectives and global implementation of the Ottawa Convention. Finland is a party to the Amended Mine Protocol of the Convention on Conventional Weapons (CCW), which entered into force internationally at the end of 1998. Finland has already implemented all the provisions of the CCW.

Finland has refrained from acceding to the Ottawa Convention because it does not at the moment have the economic or technical means to undertake to destroy the mines banned by the Convention and replace them with other means within the four years specified in the Convention. Giving up anti-personnel landmines without acquiring alternative systems would significantly diminish Finland's defence capability. Finland does not make or export anti-personnel landmines. During peacetime, anti-personnel landmines are kept in Defence Forces stocks and will not be used unless a threat of war exists against Finland.

Since 1997, the Finnish Government has been studying the possibility of acceding to the Ottawa Convention. Defence Forces surveys and international surveys have found no alternative systems which are in harmony with the Ottawa Convention and which would, as such, suit the Finnish defence system.

The working group studying the issue will include a representative of the Ministry for Foreign Affairs as a permanent member. The work is continuing with a view to Finland acceding to the Convention in 2006 and destroying anti-personnel landmines by the end of 2010 without compromising Finland's credible defence capability. The working group will submit its interim report to the Government Committee on Foreign and Security Policy by the end of 2003. Accession to the Convention and examining alternatives to anti-personnel landmines will be discussed in the report due in 2004 concerning the entire Finnish defence system.

Conclusions

Finland's defence policy and its credible defence capability provide the Finnish state leadership with the means to regulate the preparedness of national defence, from territorial surveillance and repelling territorial violations to defending the nation by all available resources, in accordance with the concept of total national defence.

Finland's defence capability will be developed in accordance to the security environment, in order to ensure that control can be maintained over at least the key areas of the country at all times, and to ensure that necessary actions can be undertaken to maintain independence. The entire territory of the country will be defended when necessary.

The effects of decisions made on national defence will extend over many decades. In developing Finnish defence, preparations must also account for the possibility that the current positive trend may be disrupted. National defence must be developed so that it allows Finland to act flexibly in various threat situations which may be rapidly changing, and to participate in international cooperation to manage these threats. This places increasing demands on monitoring and assessing the security situation and presents new challenges to decision-making on security and defence policy.

The emphasis in Finland's defence capability must continue to be redirected from repelling large-scale attack towards strengthening the ability to prevent and repel a strategic strike. The further priority is the capacity to increase the level of defensive preparedness in support of the country's foreign and security policy in the event of a crisis situation affecting Finland. Both priorities of emphasis will enhance the country's ability to take part in international crisis management, which is increasing in importance.

SECTION II: DEVELOPING FINLAND'S DEFENCE

1. MILITARY DEFENCE

1.1 Finland's defence solution

The objectives of Finland's defence are to guarantee the independence of the country, to safeguard the living conditions of citizens, to prevent Finnish territory from being seized and to protect the functioning and freedom of the state leadership, in all circumstances.

The main statutory duties of the Defence Forces are surveillance and safeguarding of territorial integrity, defending the nation, providing military training on the basis of general conscription, and participating in international peace support operations.

Finland's defence solution is based on a credible national defence capability, military non-alliance, a territorial defence system and general conscription. There will be a preparedness to defend militarily in the entire territory of the country.

General conscription is necessary to ensure that Finland has the capacity to defend the entire country and its population. Only with general conscription can quantitatively and qualitatively sufficient wartime troops be trained on the resources available in Finland. General conscription is the most economic and practical model for Finland to maintain a credible defence capability. It is also a principal factor supporting the strong motivation of citizens to defend the nation.

The capability and efficiency of Finland's defence are primarily based on
- the high level of training of personnel and troops;
- availability of sufficient and up-to-date military equipment in the country;
- the strong will of citizens to defend the nation; and
- the readiness and reliability of the defence system as required by the existing situation.

Foundations to Finnish defence planning

Finland's defence is being developed in accordance with the performance requirements outlined in the country's security and defence policy. The development needs of military defence on the one hand and the available resources on the other will be brought into line with each other.

The threat scenarios outlined in the Government report of 1997 are revised to include regional crises. Regional crises may require varying degrees of enhanced defence readiness or, in other cases, they may only have an indirect effect on Finland.

The following crisis and threat scenarios are taken into consideration in defence planning:
- a regional crisis with repercussions for Finland;
- political, economic and military pressure, which may include threat of or limited use of military force;
- a strategic strike intended to force the state leadership into taking desired decisions by paralyzing central institutions and functions of society and the defence system;
- a large-scale attack, with the aim of capturing strategically important areas or for using Finnish territory against a third party.

The emphasis in defence planning is on prevention and repulsion of a strategic strike. Planning also allows for the possibility that crisis and threat scenarios may occur in succession.

In the case of an escalating crisis, Finland aims to anticipate threats, to take measures to stabilize the situation and to take defensive measures which increase Finland´s possibilities to remain outside armed actions.

According to how the threat grows and the situation develops, readiness of national defence will be increased to enhance the normal level of readiness, to prevent a military attack, or to repel and defeate an actual attack. The level of readiness will be determined on the principle of anticipation, flexibility, sufficient strength and reasonable strength. As the threat recedes, the level of readiness of national defence will be correspondingly lowered.

In a regional crisis, the aim is to prevent or contain the effects of the crisis from spreading to Finland. This would be achieved through increased intelligence, surveillance and command capacity, by using peace-time troops, by mobilizing and using wartime forces as required, and by protecting targets of national importance.

The Finnish response to more distant regional crises affecting the security of Europe will include participation in international security cooperation and multinational crisis management operations, based on case-by-case decisions.

If pressure is exerted on Finland, this will be met by enhancing territorial surveillance, the capacity to repel territorial violations, the operation of intelligence and command and control systems, and the protection of national institutions and key functions. The actions of newly mobilized forces would demonstrate Finland's defence capability, raising the threshold for using military force against Finland. As the pressure grows, the defence capability will be increased on the basis of the threat assessment, up to the level of preventing and repelling a strategic strike, if necessary.

In a regional crisis or a pressure situation, the Defence Forces shall be prepared to support other authorities as required.

To prevent any strategic strike following the exertion of pressure, it is essential that the deterrent value of the defence is as high as possible in relation to the situation. Defence credibility and the capacity for preventing a surprise military attack are central factors.

The forces required for prevention and repulsion of a strategic strike will be mobilized well in advance, or at the latest when the threatened strike actually occurs. At the same time, the military and other equipment of the other major wartime forces will be decentralized. This is intended to prevent the paralyzation of systems critical to defence and society, to preserve the capacity for raising defence capability and to minimize the losses caused by any military action.

Sufficient and, if necessary, long-term military defence capability is the foundation for preventing a strategic strike. The focus is on protecting the state leadership, the Helsinki region and the critical functions of society as a whole, and in preventing the paralyzation of military defence capacity. In preparing to repel a strategic strike, a partial or total mobilization will be carried out.

The prevention of a large-scale attack will involve raising the readiness of national defence and mobilizing additional wartime forces. All defence resources will be used to repel a large-scale attack, in keeping with the principle of territorial defence.

Development of Finland's defence

Finland's defence capability will be developed in accordance with the security threats and risks. Finland must be able to increase readiness of its defence to meet challenges posed by rapidly evolving crises.

The operational reliability of the Defence Forces command and control system will be improved and its interoperability enhanced, taking into account the national and international requirements for cooperation. The ability to produce an up-to-date situation perception is essential for preparation of the necessary decisions and introduction of appropriate measures, and thus for ensuring Finland's defence capability and sufficient resources to participate in international crisis management tasks. The Defence Forces, together with other surveillance authorities, continuously maintain a sufficient level of territorial surveillance.

Resources are primarily allocated to achieving a capability to prevent and repel a strategic strike. The capacity for repelling a large-scale attack will be maintained in accordance with developments in the security environment. In the present decade, development will focus on the Army. Work on developing Finland's defence capability for the following decade will begin during the present planning period.

The capacity to repel a strategic strike can be improved by developing the training, readiness and wartime equipment of the troops. Improvements in wartime equipment will focus particularly on command and control surveillance capacity, electronic warfare, mobility and the capacity to deliver and protect against long-range fire. The most essential parts of the wartime equipment and other systems for the forces needed in prevention and repulsion of a strategic strike must be available for use immediately.

The developments occurring in armed forces affecting Finland's security environment require that Finland continues to invest in new technologies.

To ensure a full complement of equipment in wartime it will be necessary to obtain additional materials from civilian sectors, to procure and produce defence materiel, and to secure supplies within society at large. In order to achieve this, Finland will engage in closer international cooperation and develop a network of agreements aimed at enhancing and securing the country's level of self-sufficiency, in accordance with its security and defence policy.

International military cooperation and information exchange form part of Finland's security and defence policy. Preparation for and participation in international crisis management operations support the development of Finland's defence and reinforces its international military interoperability. Development of crisis management capability requires the acquisition of special equipment and the ability if necessary to participate in long-term crisis management operations.

There is a growing need for cooperation between various authorities and other parties in the fields of national defence and international crisis management. Finland is preparing to meet this need through closer collaboration between different authorities, expansion of other necessary national and international networks and development of cooperation concerning information systems.

The capability of the Defence Forces to participate in cooperation with other actors in society as required by threat scenarios will be increased, and the ability to function under changing circum-

stances will be improved. It is particularly important to develop cooperation procedures to be prepared for information threats.

1.2 Military defence resources

Defence personnel

Finland's population is not expected to change radically in the next few years. The average age of the population will rise: by the end of the decade, the number of people over 60 will have grown by about 260,000, while the number aged 20 to 59 will have decreased by about 150,000. This change will not have a significant impact on defence. The number of men of call-up age will remain at about its present level during the planning period.

The proportion of immigrants in the total population will grow. As a result of the free mobility of labour, Finland will in future have an immigrant population numbering tens of thousands. The increased proportion of immigrants may arrest the rise in the average age of the population. The obligation to work that can be imposed during exceptional circumstances applies to everyone living in Finland. Conscription applies to Finnish male citizens and women who have volunteered for armed service.

The conscription system suits Finland's defence very well. The system reaches about 97% of the age group eligible for call-up each year. About 8% of call-up candidates annually are found to be unfit for service. About 5.5% of the eligible age group each year opts for civil alternative service.

Every year, slightly over 30,000 men and about 400 women volunteers enter military service. Each year about 9% interrupt of those who have entered service for various reasons; this percentage is gradually increasing. Health reasons account for about 6.5%. The number of conscripts who interrupt their military service can be reduced by modifying the conscription system. It is considered possible that the proportion of conscripts completing their military service can be maintained at about 80% in the future.

Nearly all those who complete military service are assigned to war time troops. The functioning of society requires that certain personnel remain in their normal duties even in a time of crisis. In both the public and the private sector, organizations have been streamlined, with the result that an ever larger proportion of employees are key personnel required for continued functioning of such organisations. A study will be made of the systems and functions critical to society, and the defence administration will update the guidelines for exemption from military service on the basis of the study.

No reliable research data are available on the physical fitness of reservists. The overall physical fitness of citizens has an impact on the effectiveness of wartime troops and on general health. In cooperation with the Ministry of Social Affairs and Health, the Ministry of Defence will study the physical state of reservists and the prospects for improvement.

The reserve required for maintaining wartime forces is trained through the system of general conscription. Reductions in wartime forces will allow the average age of personnel assigned to these units to be lowered. This is justifiable in view of the physical demands of combat. The aim is that operational combat forces should mainly consist of reservists under 35. This would enable more key personnel to be retained in other functions critical to society.

Will to defend the nation

Studies show that the will of Finns to defend their country has remained very high throughout the 1990s. The study conducted by the Advisory Board for Defence Information and published in December 2000 shows that citizens' will to defend their country is higher than ever. Studies also show that citizens' confidence in the Defence Forces is extremely high.

Studies conducted between 1997 and 1999 showed that an average of 76% of all Finns considered that if Finland were attacked, Finns should take up arms in defence, even if the outcome were uncertain. In 2000, this figure had risen to 81%. An even larger percentage of Finns would be willing to participate in national defence according to their skills and abilities if Finland were attacked. Confidence in Finland's ability to cope in a war fought with conventional forces has also increased.

Defence equipment

The ability of the Defence Forces to function in times of exceptional circumstances is to a great extent based on the resources of society as a whole. The materiel needs mostly focus on vehicles, vessels, machinery and all other materiel that cannot be stockpiled under normal circumstances.

To arrange the telecommunications links, food and energy supplies, and construction and transport requirements of the forces to be mobilized, the Defence Forces would need a significant range of services in society. In certain fields, existing organizations will be relied upon to a great extent, for instance the road administration in the case of mobility and fortifications. To increase defence readiness in a crisis situation, the required construction forces will be mobilized from civil organizations and companies.

Under the Emergency Powers Act, equipment and materials used by reservist forces can be supplemented with materiel obtained elsewhere in society. The State of Defence Act enables all society's resources to be harnessed for national defence in wartime.

The performance requirements of our most combat-efficient troops and those needed first call for a high level of material resources. Changes in the nature of war and in the structures and functions of society have decreased the scope for making use of materiel from society to satisfy the needs of rapidly mobilized forces used for crisis management and threat prevention.

The military equipment held by the Defence Forces in 2000 was worth about FIM 75 billion (thousand million). Annual funding for materiel procurement has been about FIM 3 billion on average. This level of funding requires defence materiel to have an average life span of 25 years, with no modernization. The life span is in fact dropping towards 20 years, which means that existing equipment is becoming obsolete faster than new equipment can be procured to replace it.

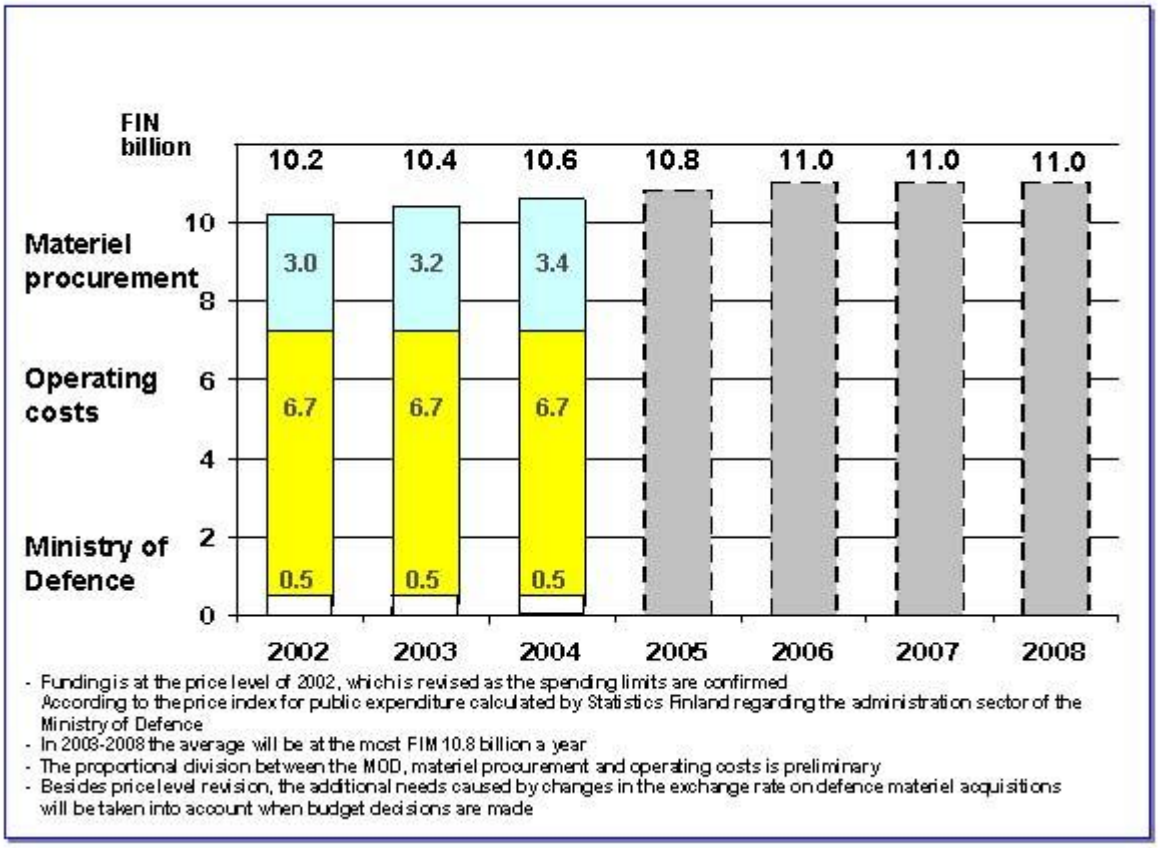
Funding military defence

To maintain and develop a credible defence, funding must be planned with a view to long-term requirements. Maintenance of defence capability cannot vary significantly with economic fluctuations; it must be considered primarily with a view to the long-term development of the security environment and Finland's security policy objectives.

The defence development programme presented in this report is drawn up in accordance with Finland's security and defence policy presented in section I and the associated performance requirements for military defence and crisis management based on it.

The defence development programme requires a budget allocation of FIM 10.2 in 2002, FIM 10.4 in 2003 and FIM 10.6 billion (thousand millions) in 2004. In 2003-2008, the average annual funding will be at the most FIM 10.8 billion. The funding is presented at the 2002 price level. The revisions caused by changes in the level of costs on the funding limits will be implemented according to Figure 1. Presently FIM 10.8 billion is equal to about 1.3 % of GDP. Materiel procurement accounts for about a third of the budget allocation. The funding proposal for the defence programme in the period 2002-2008 is shown in Figure 1.

Figure 1: Defence administration funding needs 2002-2008



Defence funding is one measure of defence credibility. EU Member States on average used 2.0% of their GDP on defence in 2000. In almost all Member States, defence funding has begun to increase in absolute terms, despite the cuts that have been made in their armed forces.

Troops engaged in international crisis management duties need materiel not intended for domestic defence. The expenditure in procuring such materiel and the operating costs of crisis management duties will continue to be funded from outside the Defence Forces budget allocation. The costs of the planned measures affecting the defence administration's real estate are also not included in the projected funding requirement.

2. STRUCTURAL CHANGES IMPLEMENTED IN THE DEFENCE FORCES UP TO 2001

2.1 Objective of the structural changes

The main objective of the structural changes in Finland's defence, outlined in the 1997 report, has been to develop readiness and reaction capability so as to provide the Defence Forces with a credible capacity for repelling a strategic strike. The capability to participate in international crisis management has also been enhanced and the capacity required to counter a large-scale attack has been maintained at the 1997 level for the most part.

In order to achieve this objective, the focus has been shifted away from the capacity to repel a large-scale attack and towards the capacity to prevent and repel a strategic strike. This has involved highlighting operational efficiency, quality, troop performance and the technical level of materiel.

A significant proportion of the measures required to implement the structural changes were carried out between 1997 and 2000. Rationalization enabled resources to be allocated to the focal areas. At the same time, the operational duties of the Defence Forces increased as their remit was expanded to include functions related to the information society, employment programmes and increased European security cooperation, but without additional resources allocated to these functions. As a result, some of the benefits of rationalization remained unachieved.

2.2 Structural changes implemented up to 2001

The structural change measures implemented between 1997 and 2000 have laid a firm foundation for the performance improvements needed to satisfy the requirements set. The main development goals were to streamline the command and control and administration systems, to rationalize the training organization, to reform the service period and training systems for conscripts, and to improve operational planning. At the same time, the process to reduce the maximum strength of wartime forces was begun.

In the late 1990s, a higher proportion of the defence budget had to be allocated to materiel procurement, because currency rate fluctuations and additional costs of index-listed payments had to be met without a corresponding increase in the defence budget. Operational funding allocations did not match the increase in costs. Major cuts had to be made in refresher training, and maintenance and spare parts procurement for wartime materiel had to be repeatedly postponed. In 2000, it was once again possible to increase the relative share of operational funding from the defence budget.

During implementation of the structural changes, the Defence Forces fell considerably short of their performance targets in territorial surveillance. In aerial surveillance and maritime territorial surveillance (surface and underwater surveillance), the overall result was barely acceptable. The shortcomings in territorial surveillance and identification capability hindered the achievement of targets set for monitoring the national situation picture. The efficiency of surface surveillance and the convenience of maritime situation picture were enhanced by improving cooperation between authorities and introducing new technologies.

The Defence Forces command and control and administration system was further developed according to the outline presented in the 1997 report. The Navy and coastal artillery were merged, forming two Naval Commands that constitute the readiness formations of the Navy. The Uusimaa Brigade was transferred to the Navy. Two brigades and nine battalions (equiv.) were either disbanded or moved to another location. The decision concerning transfer of the NBC Depot to Keuruu was postponed until the evaluation date.

The reform of the training and service period system for conscripts has proved successful. The

length of the service period corresponds well with the training requirements. The new system significantly enhances the performance and internal coherence of wartime forces.

The reduction in the total strength of the wartime forces by about 50,000 is to be completed by 2001. The number of wartime brigades in the Army has been rapidly reduced from 27 to 22. The total number of personnel is still being reduced.

Maintaining the performance of wartime forces requires regular refresher courses. The number of reservists trained in 1998 was 13,400 and in 1999, 8,700, which was less than 25% of the target. The figure for 2000 was 28,400. The number of reservists to be trained annually is being increased towards the target of 35,000 entered in the 1997 report.

The reorganization of voluntary national defence training has clarified its position in the Finnish defence system. This training focuses on the troops and command echelons that are not involved in refresher courses. Local units have been formed within regional forces; these may include reservists trained in voluntary national defence training. The Defence Forces provide guidance and support for voluntary national defence training and are responsible for training provided with Defence Forces weapons systems in voluntary exercises.

Implementation of the structural changes meant that about 1,820 of the salaried employees of the Defence Forces were reassigned, of whom 550 had to relocate. Although redundancies were avoided as far as possible, 202 employees had to be made redundant because they did not accept a post offered in a new location. The new posts established were mostly concerned with technical duties.

Fixed-term posts and contractual service arrangements were introduced within the Defence forces personnel system. Changes to the military personnel training system were also begun.

In construction and renovation within the defence administration, the focus was on new construction required by the structural changes and on improving safety with explosives. New construction was primarily for the needs of readiness brigades and the launching of helicopter operations.

The Defence Forces relinquished 104,000 sq.m. of building space and 2,208 ha of land, including 12 islands, some of them fortified.

The international work undertaken by the Defence Forces was much greater than anticipated, focusing on the development of European crisis management capacity. The cooperation needed in crisis management operations was developed through the Partnership for Peace programme. Responsibility for the practical implementation of peacekeeping operations was transferred from the Ministry of Defence to the Defence Forces.

3. FINLAND'S DEFENCE SYSTEM 2001-2008

3.1 Defence system development

Finland's defence system will continue to be developed in accordance with the security and defence policy report of 1997, taking into account changes that have occurred in the security environment and in the nature of crises and threats, and resources and developments in Finnish society.

The main objectives in developing Finland's defence and its military crisis management are: capability for prevention and repulsion of a strategic strike; interoperability commensurate with European crisis management goals; and a defence system that fulfils the needs of national defence. To achieve these objectives, the tasks and resources of the Defence Forces have to be balanced.

The focal areas in developing the defence system are:
- command and control system;
- Army readiness formations;
- interoperability for military crisis management; and
- war economy arrangements in an information society.

The maintenance of a military deterrent preventing crises and threats and the timely raising of defence capability require sufficient information about the security environment. The requirements placed on the capabilities and performance of intelligence, surveillance and command and control systems by the strategic strike and regional crises are increasing. Long-term preparation is required if the resources of society are to be used in helping to prevent and repel a large-scale attack. In order to improve monitoring and assessment of security trends and defence planning, defence research will be increased, the Defence Forces planning system will be revised and project planning procedures will be developed.

The wartime strength of the Defence Forces will continue to be reduced, to a maximum strength of 350,000 by the end of 2008. By developing the material capability and training of readiness formations in the Army, Navy and Air Force, the preventive capacity and reaction capability of Finland's defence system will be improved.

The performance of readiness formations will be improved to meet the demands of technology and the security environment, as well as the requirements of international crisis management. Focal areas are the firepower and mobility of readiness brigades. The capacity for preventing and repelling a large scale attack will be maintained in accordance with risk and threat assessments.

In 2002-2004, an analysis for the defence system for the 2010´s will be undertaken, with general conscription and territorial defence system as points of departure.In this connection, the size of the trained reserves and the extent of the age group to be trained will be addressed.

Guidelines for development would include:
- revising the territorial defence system as required by changes in the security policy environment and the crisis and threat scenarios;
- reducing the number of operational formations and improving the firepower and mobility of operational forces;
- reducing the number of regional formations and forming smaller and more functional target and local defence units from their components;
- reducing the number of command echelons.

The reformed territorial defence system will be presented in the security and defence policy report to be submitted in 2004. It will include evaluations of key weapons systems belonging to Finland´s defence system.

Finland's military crisis management capacity will be developed to accord with the objectives of European crisis management. This will also benefit Finland's national defence. In addition to the

personnel system and materiel, training and procedures will also be made internationally compatible as necessary.

The war economy arrangements adopted by the Defence Forces will be brought up to date to reflect developments in the information society and current practices in trade and industry. The supply maintenance, production and other logistics systems of the Defence Forces will be linked to the systems of other parties as applicable.

3.2 Developing the Defence Forces command and control system

The Defence Forces command and control system shall conform to wartime requirements, and development of the peacetime command and control system should be based on this premise. The ability of the Defence Staff to plan and command operations in all services will be further developed on the basis of the organizational changes introduced on January 1, 2001.

The main objective of this development work is to integrate the planning, command and control and intelligence systems of all the services into one secure joint system. European crisis management will place new demands on command arrangements. The increased need for cooperation between different administrative sectors in various disruptive situations will place further demands on the command and control system and its technical capabilities. The needs and potential for further development of the Defence Forces command and control system will be investigated in 2002-2004.

The objective in developing the intelligence, surveillance and command and control system is to improve the capacity of the Defence Forces to produce the strategic and operational situation picture needed for command and decision-making.

The first stage of the development programme will be the issuing of procurement authorizations for intelligence, surveillance and command and control systems in the period 2000-2005. The main procurement projects concern mobile electronic intelligence and surveillance units, combining the data transfer systems of each of the services, information system integration, and modernization of the Air Force surveillance and command and control system to bring it up to par with the performance of the interceptors.

By the end of the decade, the intelligence, surveillance and command and control systems of the Defence Forces will be complemented to meet the needs of preventing and repelling a strategic strike. The systems will be made more combat-resistant, and the acquisition of passive sensors for air surveillance will begin. The development of command and control systems will also enable receipt of information from the international sources needed for Finland's national defence, as necessary. Research on electronic warfare will be increased and training updated. The command capacity for mobile warfare in the three military Commands will be improved.

The Defence Forces intelligence, surveillance and command and control system will continue to rely on Finnish IT solutions, complemented and secured in accordance with the needs of the Defence Forces and the requirements of the authorities. The emergence of the information society and increased networking within society are expanding the scope for cooperation. This in turn requires that the Defence Forces participate in developing information networks at the national level. The Defence Forces have an essential role to play in developing the precautionary measures necessary nationally against information warfare threats.

3.3 Developing each of the services

Army

The focus of investment in new equipment by the Defence Forces is for the Army, with a view to improving its readiness and reaction capability. The Army will reach the required level for preventing and repelling a strategic strike by the end of the decade.

The main development target in the Army is the upgrading of three Jaeger brigades to readiness brigades. The related changes in training systems and infrastructure have also been given high priority. The firepower and mobility of the readiness brigades will be improved by procuring new infantry fighting vehicles, armoured personnel carriers, armoured self-propelled mortars and anti-tank missiles.

The intelligence and command and control systems of the readiness brigades will be improved by replacing the field radio equipment and enhancing the night-vision capacity. Cover will be improved by upgrading the ground-to-air defence system and by procuring protective gear for troops.

Development of the most effective weapons systems for the Army in the next decade will require an extensive study including an analysis of alternative solutions. The study must provide a basis for development guidelines related to the 2004 report.

Development of the firepower and mobility of the Army's operational formations and their supporting forces will be investigated as alternatives consisting of combinations of various weapons systems. The weapons systems to be examined will include at least combat helicopters, artillery systems, tanks and anti-tank missiles.

The efficiency of the different weapons systems will be compared and the alternative systems examined in a study on the firepower and mobility of operational formations. The compatibility as part of the defence system, reliability, vulnerability, total cost and procurement alternatives will be examined both at a national level and as European research projects, so that a decision on the weapons systems can be reached in connection with the defence report of 2004.

The decision regarding wartime armoured brigades will be made on the basis of the study on firepower and mobility of operational formations. Wartime armoured forces will be maintained corresponding to the life span of their equipment.

The performance of forces in the Helsinki region will be improved, enhancing the capability of the Defence Forces to operate in urban areas, to safeguard the functioning of state leadership and to protect targets critical for society. The defence of the capital is an important component in preventing and repelling a strategic strike.

The reductions in wartime forces mainly involve the Army, specifically the forces whose equipment will become obsolete during this decade and whose equipment will not be replaced. The remaining forces will be considered as a whole in the context of the defence system considerations for the 2010´s.

The separate decision concerning abandonment of anti-personnel landmines by the readiness brigades has been possible on the basis of the operational application principles of the readiness bri-

gades. Abandoning anti-personnel landmines means that the surveillance capacity and firepower of the readiness brigades will have to be further developed. At the moment, anti-personnel landmines form an integral component of the combat capacity of other forces and of the territorial defence system.

Navy

Equipment procurement in the Navy will focus on replacing essential vessels and improving the mobility of coastal defence.

The intelligence, surveillance and command and control system of the Navy will be integrated with other corresponding systems in the Defence Forces by the end of the decade. The upgrading of underwater surveillance will be continued in the focal areas.

The development programme for the Navy has already begun, following the issue of Navy procurement authorizations granted for the period 2001-2006. The main project is Squadron 2000, a squadron equipped primarily with T-2000 hovercraft. These have high speed, high mobility, year-round operating capability and a changeable weapon load.

Minesweeping capacity will be improved by developing a new minehunter. Mine-laying capacity will be developed by beginning the procurement programme for Finnish-made influence mines.

The refit allowed for in the lifespan of the Helsinki Class fast attack craft (missile) will be carried out, and the anti-ship missile system (85) will be modernized.

Procurement of equipment and weapons systems for the mobile coastal troops replacing fixed coastal defences will begin. The mobile coastal artillery of the Navy will be abandoned as the equipment becomes obsolete. Fixed coastal artillery will be further reduced during the planning period.

Air Force

Equipment procurement in the Air Force will focus on improving the operability and maintaining the performance of the interceptors.

As to interceptors, the performance capacity of the Air Force meets the requirements set. The entire F-18 (Hornet) fleet is now operational. The performance of the interceptors will be maintained during the planning period, while paying attention to extending the application properties of the aircraft. The close combat capacity of the aircraft will be further improved.

The Hawk jet trainer fleet will be kept in operating condition throughout its lifespan. These aircraft will be removed from operational use in stages during the planning period.

The combat resistance of the Air Force basing system will be improved by further developing the Air Force bases. Upgrading of the air surveillance system will be undertaken as part of the overall development of the Defence Forces intelligence, surveillance and command and control system. Air Force transport and liaison aircraft will be replaced during the planning period.

Measures have been undertaken to find replacement pilots for those lost through pilot drain from the Air Force. The number of flying hours for fighter pilots will be increased to a level that guarantees sufficient training for the fighter squadrons. Alternatives for the fighter pilot training system

will be investigated by 2004.

3.4 Developing war economy arrangements and logistics

The wartime logistic system of the Defence Forces will become increasingly dependent on supply security in society as a whole. At the same time, the security of supplies in society at large is decreasing, and dependence on sea and air transport from elsewhere in Europe is on the increase. The volume of supplementary materiel from elsewhere in society needed by the Defence Forces in wartime ('expropriated materiel') is decreasing, because the materiel that is available is difficult to adapt to the defence system.

The defence administration's materiel policy programme will be revised by 2003 as part of the national industrial strategy. At the same time, the nature, function and overall effects of the war economy arrangements for defence will be re-examined. The aim of improving the wartime economy arrangements is to establish a logistic framework linked to existing trade and industry systems as necessary. Work will begin to improve the necessary compatibility of Defence Forces logistic and materiel information systems. The national industrial strategy is managed by the Ministry of Trade and Industry.

The objective of the defence administration's materiel policy is to lay a foundation for cost-effective procurement, upgrading and maintenance of systems and equipment for troops, and to safeguard the usability and capacity for supplementing this equipment during a crisis.

The equipment needed for troops and command and control systems to prevent and repel a strategic strike must be up-to-date and already available in the Defence Forces. The Defence Forces will procure and stockpile in normal times such equipment for wartime forces as cannot be expropriated or bought anywhere else in society under the threat of or during of a crisis or war.

The Finnish defence industry must manage three areas of competence essential from the defence viewpoint. The competence to assemble, maintain and repair large and technically demanding systems in Finland will ensure the operation of these systems in a crisis situation. The management of information systems technology and systems integration will ensure the timely and cost-effective maintenance and development of the systems required for defence capability. The third area is the availability and, when necessary, manufacturing of critical components and spare parts. Gunpowder and ammunition production at a wartime level can no longer be sustained on available defence administration funding. Gunpowder and ammunition production as a whole, and maintaining know-how and production, should be examined as a component of Finland's industrial strategy and security of supplies.

In any case competence in gunpowder and ammunition production and in various production methods will continue to be needed in Finland in the future. This competence could be maintained in, for instance, centres of excellence jointly run by the industry, research institutions and the defence administration.

3.5 The Defence Forces in peacetime

The process of organizational change in the Defence Forces as a result of the structural changes set out in the security and defence policy report of 1997 will be continued. These changes are based on

wartime and crisis situation requirements.

Changes will be made to the training organization and logistic and maintenance functions of the Defence Forces to reflect the reduction in wartime forces. This will involve discontinuing operations at locations unfeasible for command and control, training and readiness functions. Personnel will be reallocated to key functions of the Defence Forces. Functions other than key functions will be rationalized in a controlled way through partnership contracts.

Infrastructure development will focus on sheltered premises for command posts and headquarters, further construction for readiness formations and their support systems, and increasing the combat endurance of the Air Force basing system.

Development of the Defence Forces organization and training system

The structural changes in Finland's defence will be continued by developing the organization and training system of the Defence Forces, keeping a balance between training personnel, training equipment and training facilities, with the aim of producing wartime forces that are smaller in number but higher in quality.

The Defence Forces training organization will be further concentrated, and the training conditions for readiness formations will be improved. The training arrangements for wartime forces to be disbanded will be discontinued by degrees according to the schedule for decreasing the maximum volume of forces in the reserve. The future use of the disused garrison areas, accommodation, training and storage facilities and training equipment will be determined according to what is considered practical and economically feasible. Unneeded facilities will be relinquished. The structural changes also require development of the personnel system.

The training system of the armoured forces will be revised to conform with the requirements for wartime forces. Conscript training in armoured forces will be reduced.

Ground-to-air defence training will be centralized. The South-West Finland Air Defence Regiment will be disbanded, and a unit providing this training will be founded at Parolannummi. Ground-to-air defence training in the Eastern Command will be transferred from Hamina to the readiness formation in Vekaranjärvi.

Basic training for helicopter pilots will be given at the Air Force Academy in Kauhava. Advanced training, continuing training and type training will be outsourced as necessary, with a view to Nordic cooperation. Applied further training for transport helicopter crews in national conditions will be given in Finland. Transport helicopter units will be used in conjunction with readiness formations. Training and base arrangements for helicopters will be investigated in 2002-2003.

The Hanko Coastal Battalion will be disbanded, and the readiness of its forts will be maintained through refresher training. Maritime surveillance capacity will be retained at the forts.

Conscript training for mobile coastal artillery forces at the Uusimaa Brigade will be discontinued in stages. The readiness of these forces will be maintained through refresher courses. Other training for mobile coastal forces in the Navy will be concentrated at the Uusimaa Brigade.

The needs and potential for reorganization in the Air Force will be investigated in 2002-2003. The possibility of concentrating the functions of the Air Force C3 Systems Command at one location

will also be investigated.

The Ordnance Depots at Vammala, Iisalmi, Orivesi and Sääksjärvi and the NBC Defence Depot will be disbanded and part of their functions transferred to other depots. The Koivujärvi storage section will be merged with the Kuopio Ordnance Depot. The rationalization of the Defence Forces Materiel Command will be continued on the basis of investigation work now in progress. A part of the functions can be transferred to industry. A report will present the measures to develop depot activities and the solutions to speed up the discarding of materiel becoming obsolete during this decade. The work of the Command will be adapted to correspond to the number and logistic needs of wartime forces.

Firing ranges and training grounds for readiness formations will be developed so that they can be used for basic and special training for conscripts or a battalion-sized refresher course. National live-fire ranges large enough for long-range weapons will be maintained. The use of training simulators and practice equipment which improve training results and motivation will be increased.
As a new training feature, the need and potential for organizing civilian crisis management training in connection with conscript service will be investigated. The investigation will be conducted in cooperation with the ministries responsible for civilian crisis management. The organizing of special training in civilian crisis management outside the Defence Forces will be worked out led by the Ministry of the Interior.

In order to maintain the performance of forces required to repel a strategic strike, the number of reservists called to refresher courses annually will be raised to 35,000.

The duties of voluntary national defence training will be consolidated under the guidance of the Ministry of Defence. Voluntary refresher courses will be used to support training for the personnel responsible for mobilizing wartime forces and for local troops, and for maintaining and developing the knowledge and skills of soldiers assigned to regional and operational forces.

Personnel system development

The objective of developing the personnel system is to balance human resources in accordance with the duties of the defence administration, with the areas of competence being developed and with organizational changes. The Defence Forces personnel system is based on the wartime personnel requirement. The Defence Forces need a professional, motivated personnel sufficient in numbers and quality to carry out the required duties both in wartime and under normal circumstances.

New officer training will begin in autumn 2001. In the new training system, officers will be trained in a single academic degree programme. Officers will be divided into regular officers completing a higher university degree and fixed-term officers completing a lower university degree. Fixed-term training staff who have had a reserve officer's advanced training will also be considered officers. The studies for the officers' academic degree programme will be organized at the National Defence College and at the various service branch schools and the Frontier and Coast Guard School. The National Defence Institute will be replaced by the Army Academy which will provide basic training for Army officers and further training for warrant officers. A new training programme providing a reserve officer's advanced training will begin in 2002. Integration of personnel who have trained under the old system into the new system will be planned in conjunction with the overall development of the personnel system.

Development of the defence system places new demands on the professional skills of personnel and

on the personnel structure. Maintaining competitiveness on the labour market requires improvements in employment conditions. The use of fixed-term employment relationships will add to the personnel system's flexibility and capacity to adapt to change.

It is not possible to add to the present human resources in the defence administration. Structural change in the personnel system will be continued by reallocating the human resources freed through natural attrition in accordance with the development needs of the Defence Forces.

The development of international crisis management cooperation and Defence Forces capability and the increasingly technical nature of defence materiel have meant an increase in the proportion of salaried personnel in the most important wartime forces and command echelons. Expert duties in information system warfare, information management and other technological fields, new duties in helicopter operations, electronic intelligence and surveillance, modern training methods, and increased international duties will all require the allocation of additional resources from the year 2002.

Technological advances in particular require a degree of user training that cannot be provided during military service or at refresher courses.

The use of fixed-term posts will be expanded in the Defence Forces in connection with the reform of officer training. Fixed-term posts will also be necessary to fill the need for training personnel required to produce wartime forces and in managing the consequences of the rise in the average age of personnel caused by changes in the military pension system. The objective is to have about one quarter of the salaried military personnel of the Defence Forces in fixed-term employment posts by the year 2015.

The Defence Forces will assist in the onward placement of their fixed-term personnel either within the Defence Forces or on the open labour market. This assistance can be provided while the fixed-term post is still ongoing, in the form of further training provided by the Defence Forces or as a training subsidy enabling the employee to paid study leave and providing compensation for costs incurred in the training, or by an extended period of employment if it is not possible to pay the employee a training subsidy. These subsidies will not cause a significant increase in Defence Forces personnel costs.

In 2008, the Defence Forces will have a human resources requirement of about 17,000 person-years. The number of personnel will be adjusted flexibly according to needs. Any personnel cuts will be implemented as far as possible using natural attrition. Redundancies may be resorted to in cases where an entire unit or part thereof is disbanded. The support measures that the employer is obliged to undertake in such circumstances will then focus on the locations in question. The recruitment of high-quality personnel for national and international duties will be secured by developing the personnel system and employment conditions in particular.

4. COOPERATION OF THE DEFENCE FORCES WITH VARIOUS AUTHORITIES

The cooperation of the Defence Forces with various authorities is both statutory and based on cooperation agreements and other practical arrangements with various authorities. In order to ensure smooth cooperation, the Defence Forces assigns a liaison officer for many of the authorities concerned, even under normal circumstances.

Practising cooperation between different administrative sectors has become more common in recent years, in both domestic activities and international crisis management exercises and preparations.

A readiness exercise of unprecedented scope, including all sectors and levels of administration, was carried out in Finland in 2000. As a result, the capacity of various authorities to operate under exceptional circumstances and for inter-sector cooperation was significantly improved. In the future, special attention must be paid to command functions and to relationships between authorities in crisis situations where the powers of the State of Defence Act are not enforced.

Military defence by the Frontier Guard

The military defence duties of the Frontier Guard are statutory, being defined in the Frontier Guard Act. The Frontier Guard participates in national defence and forms part of the military defence system. If the defence capability situation so demands, the Frontier Troops founded by the Frontier Guard, or parts thereof, may be incorporated into the Defence Forces by Presidential decree. The defence planning and preparations of the Frontier Guard are undertaken in cooperation with the Defence Forces.

The Frontier Guard maintains a military internal organization. The Frontier Guard provides military training for its personnel, for conscripts seconded to it and for women undergoing voluntary military service. It also maintains and develops its defence capability in cooperation with the Defence Forces.

Through border surveillance and border controls, the Frontier Guard enforces in its surveillance area the regulations concerning the territorial integrity of Finland.

The Frontier Guard and the Defence Forces have agreed on cooperation in territorial surveillance, defence planning, military training and operations and resources planning. No changes are deemed necessary in the basic arrangements of military defence by the Frontier Guard.

The wartime Frontier Troops founded by the Frontier Guard are regional troops. They will become more important as the Defence Forces reduces its wartime strength. More demanding duties are planned for the Frontier and Coastal Guard Troops.

Development of the composition, principles of deployment and military equipment of the Frontier Troops will be based on changes in the security environment, particularly in threat scenarios. Prevention and repulsion of a strategic strike highlights the importance of monitoring territorial integrity and of counter-special force operations, for which the Frontier Troops are particularly suited due to their location and the statutory authority of the Frontier Guard. In repelling a large-scale attack, the Frontier Troops can add to the depth and reach of the combat power of other regional forces.

The capacity of the Frontier Troops to repel special forces and to undertake more demanding and active wartime duties will be developed. This requires improvements to the firepower (especially range and effectiveness), command potential, mobility, and particularly the independent evacuation capacity and cover and combat stamina of the troops. The airborne operations basing system must also be developed. The Frontier Troops development programmes will be drawn up in conjunction with the Defence Forces long-term planning.

Executive assistance to the police and cooperation with other authorities

The Defence Forces have a specific statutory obligation to provide executive assistance to the police. Such assistance is always subject to a specific itemized request. The decision to provide executive assistance shall be taken by a military authority.

Counter-terrorism falls within the purview of the Ministry of the Interior. The police may require vehicles and even troops from the Defence Forces in isolating and apprehending violent terrorist groups. Such troops include Defence Forces special forces and military police. Those in conscript service are never used for such dangerous assignments. Most of the Defence Forces troops are well suited to protecting targets and areas and to surveillance and isolating areas. If terrorists use nuclear or chemical weapons or devices, NBC troops and equipment may be employed.

In preventing international crime, the role of the Defence Forces consists mainly of guarding and protecting weapons and other materiel so that criminals do not have access to them. Defence Forces equipment may be needed when the police are arresting armed criminals.

The Defence Forces also have a role in observing environmental threats, using their own surveillance system as applicable. Defence Forces equipment may be used in containing and cleaning up oil spills, for instance. The Navy is responsible for supplying and manning skimmer vessels.

In containing and managing the consequences of major disasters, the Defence Forces may provide assistance in the form of transport and materials, and in isolating areas. Defence Forces troops may be used to support precautionary evaluation measures, for instance. The Defence Forces can also set up a communications network for the disaster area if the local network is not functioning.

In the case of a large-scale influx of immigrants, the Defence Forces will be used mainly in support of the police. In extreme situations, Defence Forces facilities and equipment can be used on a temporary basis to help refugees.

According to the Rescue Services Act, the Defence Forces are required to participate in rescue services by providing equipment, human resources and expert services when considered necessary because of the extent or special nature of a particular accident. Participation in rescue services must not endanger the performance of national defence duties.

Defence Forces resources can be used to quickly supplement the resources of rescue organizations, where necessary. Communications equipment, vehicles and NBC material can be provided, for example, and vessels and aircraft may also be used. Defence Forces personnel are already organized and trained for various duties that support rescue services, and experts in a variety of fields can be found quickly.

SECTION III: INTERNATIONAL CRISIS MANAGEMENT

1. INTRODUCTION

Resolution of international crises improves Finland´s security environment and thereby Finland´s security. International crisis management can include both military and civilian tasks. These may be

carried out in parallel, in situations where the international community is helping to find a resolution to a complex conflict or to restore the functioning of societies.

Finland is an active participant in crisis management cooperation. It is also concerned with improving its crisis management capabilities, with due regard to the country's international obligations within the European Union, the United Nations and the OSCE, and its participation in the NATO Partnership for Peace (PfP) programme. In seeking to improve these capabilities, Finland is able to benefit from the experience it has gained in peacekeeping operations and in crisis management by international organizations.

The range of means available for crisis management is extensive. Military aspects may include preventive troop deployments, various military observer activities, supervision of the implementation of an agreement approved by the parties to the conflict, and restoration of peace. Civilian crisis management can include various actions concerned with conflict prevention and resolution and post-conflict rehabilitation, such as policing, reinstatement of judicial and administrative systems, election monitoring, other support for democracy and for human rights, and provision of search and rescue services for disaster situations.

By taking part in crisis management cooperation, Finland is supporting the strengthening of democracy, the rule of law and human rights. Participation in international crisis management strengthens international and national security.

Participation in international crisis management provides experience that can be of use in national defence and in maintaining readiness in crisis situations. The Finnish Defence Forces' international cooperation also reinforces the credibility of the country's national defence capability.

Most of Finland's resources available for international crisis management operations are resources reserved for national defence. Participation in international crisis management also serves to strengthen Finland's national resources.

Finland's participation in international crisis management requires close cooperation between various authorities. Each ministry is responsible for development of the necessary resources within its sector. Crisis management can also be supported by means of reconstruction and development assistance.

Participation in crisis management requires quick decisions and action at a national level. In Finland, the development of decision-making processes pays particular attention to EU crisis management.

2. MILITARY CRISIS MANAGEMENT

2.1 Principles and capacity for participating in crisis management

Under the Finnish Peacekeeping Act, Finland may only participate in military crisis management if this is based on a UN or OSCE mandate. Under the Act, Finland may not be party to coercive military measures governed by Articles 42 or 51 of the UN Charter.

The revised Peacekeeping Act, which came into effect at the start of 2001, enables Finnish soldiers to take part in humanitarian assistance or in operations to secure humanitarian assistance at the request of a UN special organization or agency. The most likely body to request military resources in support of its activities would be the United Nations High Commissioner for Refugees (UNHCR).

Decisions on Finland's participation in peacekeeping operations and on terminating such participation are taken by the President of the Republic, on the proposal of the Government. Before such a proposal is made, the Government must consult Parliament.

The Ministry for Foreign Affairs and the Ministry of Defence are responsible for political preparation, guidance and supervision concerning military crisis management. Under the revised Peacekeeping Act, the Finnish Defence Forces are responsible for the practical implementation of crisis management.

Finland maintains a rapid deployment force which can as necessary be put at the disposal of international organizations and institutions. The force includes two infantry battalions, one engineer battalion, one transport company and a CIMIC company specializing in civil-military cooperation. The force also has two Finnish Navy minelayers, which can be used as command and support vessels for a mine clearance division, as well as staff officers and military observers. Although the rapid de-

ployment force does not yet include any Finnish Air Force units, the possibility of the Air Force participating in crisis management in the future is being studied.

The composition of ground forces in crisis management troops is diverse and allows for alternatives depending on the type of operation.

The funding of Finland's participation in peacekeeping operations is divided between the Ministry for Foreign Affairs and the Ministry of Defence. The payroll costs of peacekeeping personnel and Finland's membership contribution to the UN's peacekeeping budget are met from the main budget division of the Ministry for Foreign Affairs, while the costs of equipment and material and participation in military observer operations are met from the main budget division of the Ministry of Defence. Funding for each new operation is arranged separately. The expenditure allocated for peacekeeping operations in the State budget for 2001 amounts to FIM 304 million for the Ministry for Foreign Affairs and FIM 126 million for the Ministry of Defence. The corresponding outturn expenditure figures in 2000 amounted to FIM 361 million and FIM 182 million, respectively.

Costs are also incurred in procuring materiel for use in operations and in training the rapid deployment force. The materiel for a force despatched to international duties consists mainly of equipment which is also intended for national defence. These costs are included in the budget allocations for the Ministry of Defence.

Besides international crisis management, the Finnish Defence Forces provide support for the Ministry for Foreign Affairs and the Ministry of Defence in monitoring and implementing arms control agreements, and they also participate in carrying out inspections.

2.2 Participation in peacekeeping operations

Finland took part in peacekeeping operations for the first time in 1956 and has so far deployed a total of about 40,000 peacekeepers in various operations. Finnish peacekeepers are currently participating in ten different operations involving a total strength of about 1,600 personnel.

Finland has been participating in the UN's UNIFIL (United Nations Interim Force in Lebanon) operation in southern Lebanon since 1982. A Finnish battalion of about 650 personnel is currently

based in the region. Following the UN Security Council decision to scale down the operation, Finland's peacekeeping strength will be reduced to about half by summer 2001.

Since 1996, Finnish peacekeepers have been involved in the NATO-led IFOR/SFOR (Implementation Force, Stabilization Force) forces in Bosnia. Initially, Finland supplied a construction battalion, then an infantry battalion and is currently supplying a CIMIC unit of about 120 persons, which will be reduced to a strength of 80 during 2001.

A Finnish battalion is currently engaged in the NATO-led KFOR (Kosovo Force) peacekeeping force in Kosovo as part of a British-led brigade. Since August 1999, Finland has deployed about 800 peacekeepers in this operation. The core of the battalion consists of the 1st Infantry Battalion of Finland's rapid deployment force.

Finland is also participating in the UN operations in Cyprus and on the border between Ethiopia and Eritrea.

About 30 Finnish unarmed military observers are serving with the UN in a total of six different UN operations. Finnish observers are currently serving in the Balkans, the Middle East, Kashmir, Kuwait and on the Ethiopia-Eritrea border. Finland is ready to send in more observers if required.

Under the Finnish Peacekeeping Act, the total number of Finnish peacekeepers serving in different operations at any one time may not exceed 2,000. Finland is ready to participate in further peacekeeping operations within the limit of its resources.

2.3. Cooperation in military crisis management

UN

Participation in UN peacekeeping duties will continue to remain very important to Finland. The development of UN peacekeeping and its troop needs will be taken into account in the future development of Finland's rapid deployment force.

The UN's commitment to long-term operations in the absence of political solutions and the failures

in peacekeeping operations in the 1990s have led to critical assessment and debate on the future of UN peacekeeping. Future work will be based on the recommendations of the Brahimi Report on improving the UN's crisis management readiness. Finland supports all efforts to improve the effectiveness of UN crisis management activities.

The UN Standby Arrangements System (UNSAS) was created to improve the UN's crisis management readiness. Finland has made available to UNSAS its rapid deployment force and a range of experts for use in international crisis management.

The multinational Standby High Readiness Brigade for UN operations (SHIRBRIG) was also set up to improve the UN's rapid action capability. The SHIRBRIG force consists of troops committed to the UNSAS system by certain member countries. The peacekeeping operation on the Ethiopia-Eritrea border is the first to involve participation by SHIRBRIG. The Finnish staff officers deployed in the operation are part of SHIRBRIG.

EU

The EU is developing its military crisis management capability by setting up operational politico-military structures and by establishing a pool of forces needed to cover the Petersberg tasks.

Finland is taking an active part in the creation of the EU's military crisis management capability. Development of Finland's own national readiness has taken account of the EU's aim of achieving military crisis management capability by the year 2003, which was decided by the Helsinki European Council in 1999.

Member States have committed to the EU a forces pool which is approximately 100,000 strong. From this pool the EU may establish crisis management ground forces of a maximum of 60,000 soldiers supported by a naval strength of 100 vessels and an air force of 400 aircraft.

Most of the targeted headline goal strength has been met, but there are still deficiencies in the EU's joint resources, such as in reconnaissance, command and control and strategic transportation capacity. Performance targets will be set for the staff and troops at the disposal of the EU, and these will cover all the Petersberg tasks.

In establishing its crisis management capability, the EU aims to rely on the support of NATO, where necessary. The aim is to agree with NATO that the EU may, if necessary, have access to NATO´s planning resources, command and control systems and other military resources for the purposes of EU-led crisis management operations. Finland intends to participate in work carried out by NATO on account of the EU's operations.

Finland has offered to make available to the EU its rapid deployment force set up for the purposes of international crisis management. The total strength of the offer is 1,500 soldiers.

NATO

NATO's crisis management cooperation was begun at the start of the 1990s. NATO develops and maintains a substantial military crisis management capability and is currently leading two extensive crisis management operations in the Balkans. At NATO's 1999 Washington Summit, a new strategic concept was approved whereby crisis management and the Partnership for Peace were designated new principal tasks of the Alliance.

Participation in NATO-led crisis management operations will continue to remain important to Finland. Finland aims to achieve closer cooperation with NATO and its member countries in the planning of operations implemented by NATO and in related decision-making in cases where Finnish troops are dispatched to NATO-led operations.

Improvements in European crisis management capability are also sought within NATO. The Alliance has also declared its support for the establishment of military readiness by the EU. The troops committed by Member States to the EU's forces pool are mostly troops developed and maintained as part of NATO's defence planning system. The NATO Defence Capabilities Initiative (DCI) will assist in developing the crisis management capacities of both the Alliance and the Union.

PfP cooperation has become an established tool in the development of military crisis management capability between NATO and its partners. The third phase (2000-2006) of the Planning and Review Process (PARP) will further consolidate the wide-ranging interoperability and cooperation capability between partner countries and NATO.

Finland's military representation at different levels of the NATO headquarters provides valuable

experience in international crisis management cooperation and NATO's methods, and also enables participation in the actual planning process for crisis management operations.

NORDCAPS

Finland's participation in the Nordic Coordinated Arrangement for Military Peace Support (NORDCAPS) is aimed at establishing troop units in which the Finnish, Swedish and Norwegian troop contributions complement each other. Denmark has decided to opt out of EU-led crisis management. The Nordic forces pool is sufficient to establish one brigade.

Deficiencies in the command and control and support functions for the Nordic forces pool brigade will be eliminated by 2003. Britain has registered its interest in participating in NORDCAPS activities, following positive experiences gained in the KFOR operation.

2.4. Development of military crisis management capacity

Growing international duties and diversification call for improved targeting of Finnish Defence Forces resources. By transferring the responsibility for practical implementation of peacekeeping operations from the Ministry of Defence to the Finnish Defence Forces, the link between national defence and international crisis management duties will be reinforced.

The development and troop needs of UN, EU and NATO crisis management will be taken into account in the future development of the Finnish rapid deployment force.

The interoperability of the Finnish troops, committed to the Planning and Review Process (PARP), with NATO troops is to be strengthened with the aid of 64 Partnership Goals.

The PARP process will also assist in development of the Finnish rapid deployment force committed to the EU. Interoperability with NATO countries will improve Finnish performance in both NATO-led and EU-led crisis management duties.

The rapid deployment force is equipped primarily with Finnish Defence Forces wartime materiel, the procurement of which is included in the Defences Forces budget planning allocations. Other

materiel needed by the rapid deployment force which are not wartime materiel, as well as operating costs, are covered by separate allocations according to the established practice.

The 2nd Infantry Battalion of Finland's rapid deployment force and other ground forces reserved for international crisis management will achieve operational readiness at the start of 2003. Their materiel readiness will be improved under a procurement programme extending to 2006.

The operational readiness of the Finnish rapid deployment force will be broadened from the unit and battalion level to the brigade level. The aim is to establish together with the other Nordic countries the capacity to lead an international crisis management brigade. One key area is to increase expertise in civil-military cooperation.

The Finnish Navy is improving its capacity to cooperate internationally in mine clearance operations. The Finnish Air Force will participate in crisis management exercises with up to eight F-18 combat aircraft. The possible ways of participating in international crisis management operations in the future are being studied.

Opportunities for participation in international training and exercises are given by Finland's membership of the EU, by cooperation amongst the Nordic countries and by the NATO PfP programme. According to national interests Finland's participation in exercises will be concentrated in neighbouring areas. Personnel will continue to be trained in staff exercises and on courses, as before. The development of EU crisis management capability will increase Finland's cooperation with the armed forces of other Member States in the field of training as well. A greater number and diversity of joint exercises will be undertaken with other Nordic countries.

Traditional UN peacekeeper training and training under the PfP programme will be combined.

2.5. Civil-military cooperation

Civil-military cooperation (CIMIC) has become an established international concept to describe cooperation between civilians and the military. The multifaceted nature of today's crises has emphasized the importance of close cooperation.

The aim of CIMIC activities is to coordinate the common objectives of military and civilian crisis management and to better ensure the achievement of these objectives. Cooperation can include contact between military and civilian authorities, between soldiers and the local population and NGOs, and between military authorities and international aid organizations of different levels.

The division of labour between military and civilian personnel will vary significantly at different stages of a crisis. Responsibility for the safety of local residents and for the basic functions within society rests with the military when the local structures do not function and the civilian crisis management activities cannot yet be applied. The aim is nonetheless to transfer responsibility for the basic functions of society to organizations responsible for civilian crisis management or to locally based authorities as soon as the security situation allows.

CIMIC tasks have traditionally formed an integral part of Finnish peacekeeping troops. Experiences gained in the Balkans have also proved that civilian and military cooperation is natural for Finnish peacekeepers. They comprise mostly reservists from a wide variety of civilian occupations who are rooted in the tradition of a Nordic civil society and therefore possess appropriate attitudes and skills, which will also support the security of the troops.

Crisis management tasks in the future will demand a diverse array of expertise. In Finland, national and international cooperation between institutions providing training in aspects of crisis management must be further improved. The potential for making use of the experiences gained in international CIMIC activities to improve Finland's emergency readiness must also be investigated.

3. CIVILIAN CRISIS MANAGEMENT

3.1 General

Finland's civilian crisis management capacity will be developed on the basis of the country's national resources. Special attention must be paid to the development of the capacity required for the EU's crisis management work.

Amongst international organizations, the UN and its special agencies have the most extensive ex-

perience of complex crisis management operations. A wide-ranging discussion of the UN's peace-keeping operations has followed the publication of the Brahimi Report. The report emphasizes the complementarity of military and civilian crisis management. Adoption of the report's recommendations would mean new demands on member countries' participation in civilian crisis management tasks.

The OSCE began its field operations at the start of the 1990s. Following this, Finnish election observers and experts in different fields have been dispatched to OSCE duties. At the 1999 OSCE Summit in Istanbul the decision was taken to set up a system of Rapid Expert Assistance and Cooperation Teams (REACT) to try to speed up the dispatch of civilian experts to crisis-afflicted areas and to increase their effectiveness.

Amongst the special concerns of the Council of Europe are human rights standards, compliance with these standards, legal, social and local administration, and legislative issues, which often play a central role at the reconstruction stage in crisis-afflicted areas.

The EU has some experience of civilian crisis management tasks in the Balkans, where it operates the European Union Monitoring Mission (EUMM). The EU was also responsible for administration of the town of Mostar in 1994-1996. In addition, the Commission's programmes include activities which can be classified as civilian crisis management. The Kosovo crisis, in particular, has demonstrated that resources for the EU's civilian crisis management must be developed further.

Work on developing the EU's civilian crisis management was begun at the Helsinki European Council, which led to confirmation of the first priority areas at the Feira European Council. The priority areas selected were policing, strengthening the rule of law and civil administration, and civil protection. Specific development targets were also set for policing for the period to 2003.

Civilian crisis management tasks will provide valuable experience which can also be utilized at a national level.

In 1997, the Government submitted a report to Parliament on the development of Finland's civilian resources for crisis management, which was then used as the basis for establishing a permanent, inter-ministerial cooperative working group led by the Ministry for Foreign Affairs. This body has representatives from the Ministry of Justice, the Ministry of the Interior, the Ministry of Defence,

the Ministry of Finance, the Ministry of Social Affairs and Health, the Ministry of the Environment, the Ministry of Transport and Communications, the Prime Minister's Office, the National Emergency Supply Agency and the Radiation and Nuclear Safety Authority. Studies made by the working group show that the different administrative sectors are ready to develop Finland's capacity for civilian crisis management. However, personnel resources are not yet sufficient for such tasks.

The Ministry for Foreign Affairs has funded experts and election observers from the different sectors especially for duties in the Balkans. Budget allocations for development assistance have also been used for tasks classified as civilian crisis management in developing countries. The main budget division for the Ministry for Foreign Affairs in the 2001 State budget contains an allocation of FIM 43 million for the participation of civilian personnel in crisis management tasks.

3.2 Priorities in civilian crisis management

Policing

So far, civilian police operations have been implemented mainly under UN leadership, although the OSCE and WEU have also carried out policing operations. Despite global recruitment, the UN has had difficulty in finding sufficient police personnel to meet requirements.

As well as traditional supervisory, training and consultative tasks, organizations responsible for police operations have in some cases had to take care of local policing in its entirety. For example, in Kosovo, the international police force has performed duties normally belonging to local police forces, such as maintaining public order and security, investigating crime, undertaking traffic surveillance and performing the duties of the frontier police.

Finland has the resources to dispatch 50 police officers to international civilian police duties within the framework of the UN's UNSAS standby system.

Like other EU countries, Finland has dispatched police to various types of operation led by international organizations. Since 1994, a total of about 150 Finnish police have taken part in international civilian police duties in the Balkans and in Mozambique. At the start of 2001, 30 Finnish police were participating in four operations, in Croatia, Bosnia-Herzegovina, Kosovo and Albania.

The Feira European Council set a target for the EU of raising the number of police available for international duties in conflict prevention and crisis management operations to 5,000 by the year 2003. This includes the capability of participating in crisis management operations with a rapid reaction force of 1,000 police within 30 days of the decision to despatch such a force.

The EU's first conference on police resources for civilian crisis management was held in May 2001. Preparations for the conference made use of the work of the EU's third pillar Police Working Group, which was given added impetus by the 1999 Tampere European Council. Establishing and commanding independent EU civilian crisis management operations, especially police operations, will require reinforcement of the EU's planning capacity.

In line with EU objectives, Finland is prepared to increase the number of police available for international duties to a total of 60-70, of whom 10-15 would form part of a rapid reaction force.

The Police Department of the Ministry of the Interior has thus far trained more than 250 police to fulfil the UN recruitment criteria on special civilian police training courses. In early 2001, the courses were also attended by foreign participants.

Border police activities are part of international policing, which is aimed at stabilization. It is also important in conflict prevention. In Bosnia and Kosovo, as well as in other volatile areas, inadequate national border control can heighten the conflict. Finland's Frontier Guard assists in improving border control, and also as part of police operations. The Finnish Frontier Guard is able to release several experts a year for international civilian crisis management duties.

Strengthening the rule of law

In civilian crisis management, special attention must be paid to respecting and strengthening the principle of the rule of law and to developing the judicial administration. The collapse of the structures of the rule of law and the growth of organized crime, corruption and other criminal justice matters represent major challenges to a community recovering from a crisis. In post-crisis situations, special attention must be given to developing the democratic structures, legislation and the rule of law and to strengthening the judicial structures that support the criminal justice system and policing. On this basis, the strengthening of the rule of law was agreed as one of the priority areas

for the EU's civilian crisis management. The European Council at Gothenburg intends to decide to create a capacity of 200 experts for rule of law tasks.

In Finland, the principle of the rule of law has a long tradition. National expertise and international experience has been accumulated in matters concerning the strengthening of the rule of law. Areas of expertise include development of an independent judicial system and improving the operation of the courts, selection and training of judges and prosecutors, and areas related to availability of justice, legal processes and enforcement of court decisions. Finland also has special expertise in development of an ombudsman system and information systems for the courts.

The Ministry of Justice has assembled a register of Finnish experts who could assist in the administration of civil and criminal justice, development of basic rights and legislation, improvement of the judiciary and prison system, planning and development of the electoral system, and election monitoring. The register includes circuit judges, prosecutors, advocates and experts from the Ministry of Justice. The file will be added to the national register of experts being prepared by the Ministry for Foreign Affairs.

The EU has also begun to establish a register of experts as part of its objectives for strengthening the rule of law. The development of this register should take account of compatibility with similar projects of international organizations, in particular the OSCE's REACT project. Specific targets also require further national input from Finland, which will in turn demand improved recruitment and training of experts.

The Ministry of Justice will arrange training for about 30-40 people in conjunction with the Ministry for Foreign Affairs. The aim is that, if necessary, Finland should be able to dispatch up to 10 highly qualified judicial administration experts simultaneously for civilian crisis management tasks.

Strengthening civil administration

The EU's priorities also include re-establishing and strengthening civil administration in crisis-afflicted areas. The aim is to determine objectives for EU action by assessing needs and by exchanging information on the current activities of Member States, the selection of experts and training.

Reintroducing regional and local administration in crisis-afflicted areas often requires international input. This includes reinstating social and health services, for which help may be needed for planning and start-up as well as operation. Local structures are usually not sufficient to cope with a major flow of refugees or a situation in which there are internal refugees.

In the strengthening of civil administration, Finland is particularly well suited for a role in the following: planning, set-up and assistance for post-crisis regional and local administration; provision of information technology expertise for creating a demographic accounting system and basic registers; and possibly also expert assistance in rebuilding and developing the transport and communications infrastructure.

Provision will be made to increase the participation of Finnish experts from regional administration and health care and customs authorities as well as participation of other experts in various international civilian crisis management tasks.

Civil protection

The Finnish Rescue services Act contains provisions on dispatching assistance abroad at the request of another state or an international organization. Cooperation has been developed mainly with Finland's neighbours, in the UN and within the framework of the NATO PfP programme. The EU and Member States are currently seeking to improve readiness not only within the Union but also outside it. At the Gothenburg European Council in June 2001, the EU intends to agree on creating a capacity of 200 persons for civil protection tasks.

When the UN began its assessment and control activities for natural and environmental disasters in the early 1990s, preparations were made for dealing with a few operations per year. However, the UN has found itself having to respond to an increasing number of often complex emergencies. Today, there are dozens of operations every year.

Worldwide, this type of work is carried out by the UN Office for the Coordination of Humanitarian Affairs (OCHA), while at a regional level the work is performed within the sphere of both the EU and NATO. The EU has established its own resources register, which includes information on the interoperability of equipment. Efforts are being made to improve international cooperation through better organization and greater specialization, and via the Lead Nation concept.

For international operations, the Finnish fire and rescue services use specially trained rescue personnel of the Finn Rescue Force (FRF). Primarily at the request of the UN, experts can be dispatched from this force to undertake disaster evaluation, and special teams and rescue units can be despatched for actual rescue operations. The FRF comprises personnel from Finland's five largest emergency centres, with a combined total strength of about 200 professional rescue personnel and other experts. Readiness for departure can be achieved in anything from a few hours to one or two days, depending on the number of personnel needed.

Finnish experts have participated in disaster evaluation on twelve occasions since 1994. FRF units have taken part in international rescue duties in nine disaster situations involving, for example, forest fires, flooding, explosion, earthquake and toxic spillage. Due to restrictions on transport capacity and funding, Finland has not been able to respond to all the requests for assistance, and the size of the units dispatched has had to be limited.

The material requirement consists of search and rescue equipment needed in aid operations and materials despatched in crisis situations for use by the rescue organization of the country requiring assistance.

In its international operations, the Finnish fire and rescue services use mainly municipal fire services equipment. International aid operations also require additional specialized and support equipment. The participation of the fire and rescue services depends on the rapid availability of personnel and equipment and their quick despatch to the location in question. Readiness also demands planning and training capacity.

The allocations for civilian crisis management in the 2001 State budget allow the procurement of equipment by the fire and rescue services for the special needs of civilian crisis management. The Ministry of the Interior has allocations for expenditure on operations to provide or receive international assistance, as defined in the Rescue services Act.

The future development of Finland's rescue services will take into consideration the country's international obligations set within the EU and elsewhere. Procurement should aim to increase the interoperability of equipment and specialization. Creation of the necessary resources requires an increase in the number of planning and administration personnel in the Ministry of the Interior, an

increase in the resources for basic training for experts and rescue teams in Finland, and for participation in international training and exercises. International cooperation, for example to obtain a heavy air lift where this is necessary, will be vital to improve the opportunities for participation in crisis management operations.

3.3 Development needs

The common aims of the EU and the efforts of international organizations impose obligations on Finland to raise the level of national resources. Besides the sector-specific development needs arising from the EU's priorities, there are also general development needs.

Finland aims to improve the effectiveness of its preparations for political decision-making concerning civilian crisis management and national coordination. It also aims to use the experience gained in development assistance and cooperation with adjacent areas to improve coordination. Cooperation will be improved especially between the Ministry for Foreign Affairs, the Ministry of the Interior, the Ministry of Justice, the Ministry of Defence, the Ministry of Social Affairs and Health, and the Ministry of Finance. Contacts with NGOs will also be improved.

The preparatory work and coordination for civilian crisis management decision-making are taken care of jointly by the Ministry for Foreign Affairs and the Ministry of the Interior. The Ministry for Foreign Affairs is responsible for coordinating Finland's cooperation on civilian crisis management in the EU and in international organizations. The Ministry of the Interior is responsible for ensuring the coordination of Finland's national civilian crisis management resources.

To support the coordination effort, integrated registers of experts will be established and will take into account the needs of the OSCE's REACT system. A register will be developed for recruitment work and will also take account of NGO expertise and experience.

Special attention will be paid to providing Finnish experts with training in the EU's priorities for civilian crisis management. The training will give due consideration to development of the activities of the EU and international organizations. At the same time, the different administrative sectors will develop both their own professional expertise in civilian crisis management and their capacity to despatch experts to international duties.

Finland's participation in civilian crisis management will be funded principally from the main budget division of the Ministry for Foreign Affairs. To ensure the necessary resources, additional funding will need to be secured which also applies to the other ministries mentioned. The work involves several administrative sectors, and therefore budget allocation needs will be coordinated amongst the different ministries.

In planning future budget allocations, consideration will be given to the additional funding needs arising from the EU's activities and Finland's other international commitments. Such costs will include payroll costs, equipment procurement and training.

The legal status of personnel participating in civilian crisis management will be clarified. If necessary, the possibility of incorporating provisions on this in the Finnish legislation will be studied. Recruitment of experts will be promoted by reviewing contract conditions, with due reference to the practice applied in other Nordic countries.

Finland's preparations to assist in international civilian crisis management are complementary to its preparations for coping with disruptive situations at home and exceptional circumstances. Both activities would, to a great extent, use the same personnel and equipment. Future training programmes will be improved to meet the needs of both national and international tasks.

SECTION IV: PRECAUTIONARY MEASURES AND COMBATING THREATS TO SOCIETY

1. BACKGROUND

Finland's precautionary measures, based on the concept of total national defence, have proved to be both effective and appropriate. The increasing inter-dependence between the various sectors of society makes it essential that precautionary measures are based on extensive collaboration. Precautionary measures must also take the growing international dimension into account.

Finland's membership of the European Union and its increasing interaction with the world at large have improved the capacity of Finnish society to tolerate a crisis. In disruptive situations and exceptional circumstances, Finland can draw upon operational means and resources available as a result of international cooperation, complementing and supporting Finland's own arrangements. At the national level, Finland must continue to ensure that society as a whole - not only public authorities but also private individuals and businesses - can function under all circumstances.

Society takes precautionary measures for exceptional circumstances and for various disruptive situ-

ations arising under normal circumstances. The aim is to prevent the emergence of situations that could undermine the functioning of society and to create mechanisms for managing such situations and their consequences. In times of exceptional circumstances, the livelihood of the population and the national economy is safeguarded, the rule of law maintained and the territorial integrity and independence of the country ensured.

Exceptional circumstances are defined in the Emergency Powers Act and the State of Defence Act. Exceptional circumstances include a war between foreign countries, a threat of war or actual war involving Finland, an economic crisis, a major disaster, or a significant event outside Finland's borders if it poses a serious threat to the nation's existence and its well-being as defined in the Emergency Powers Act.

In 2000, the Emergency Powers Act was amended to include among exceptional circumstances a state of significant international tension tantamount to threat of war and requiring immediate action to improve Finland's defence capability. This provision is consistent with the definition of 'crisis' in Article 297 of the Amsterdam Treaty. Defence capability as defined in the Emergency Powers Act encompasses all actions and activities of the various sectors of society that are necessary in exceptional circumstances.

Disruptive situations occurring under normal circumstances may be equivalent, in terms of their impact, to exceptional circumstances. While special powers of authority can be invoked in exceptional circumstances under the Emergency Powers Act and the State of Defence Act, normal powers of authority are applied in disruptive situations.

Disruptive situations are amongst the threats defined under the broad concept of security. Other threats include infectious diseases spread as a result of increased mobility, information threats spread through information networks, threats aimed at electronic communications and information systems, the increase in international organized crime, terrorism, changes in the environment, major disasters and sudden, large-scale population movements caused by crisis situations.

In recent years, threats involving the increased use of technology and networking in society and the economy have been highlighted. Such uses are increasingly dependent on integrated systems. The use of information technology has grown significantly. Logistical systems have become more complicated, and their management requires information systems to operate without disruption. Almost all functions in society are dependent on the availability of energy. The vulnerability of the technical infrastructure of society has increased. Disruptions can cause considerable harm to the functions of society.

Under the Emergency Powers Act, public authorities are required to take precautionary measures to ensure the execution of their duties with minimum disruption, even in exceptional circumstances. Precautionary measures are directed, supervised and coordinated by the Government and by each ministry for its particular sector. Businesses essential for exceptional circumstances also undertake contingency planning to ensure the crisis tolerance of society.

The Defence Council issued instructions for contingency planning in 1999, in the directive 'Contingency planning for disruptive situations and exceptional circumstances in society'. The basic guidelines for precautionary measures contained therein are still valid.

On March 1, 2000, the duties of the Defence Council were divided between the Government's Foreign and Security Policy Committee, the Ministry of Defence and the Security and Defence Com-

mittee. Coordinating the tasks of public administration related to total national defence is the responsibility of the Ministry of Defence. The Security and Defence Committee assists the Ministry of Defence and the Government's Foreign and Security Policy Committee.

Total national defence includes military defence, economic defence, civil defence, social welfare and health care, functioning of technical systems in society, public order and security, and defence information activity. Total national defence is supported by a wide array of voluntary non-governmental, cultural and educational work. The needs of various sectors and the actions to be taken in exceptional circumstances are coordinated under the planning principles of total national defence.

Precautionary measures are implemented as a whole. This ensures a common basis for action in the different sectors of society in order to increase the degree of readiness flexibly and to rapidly respond to the requirements of each particular situation. Precautionary measures also contribute to the capabilities of international civilian crisis management.

In disruptive or crisis situations the organizations and activities of the various sectors of society will be changed as little as possible, and new organizations will be established only when absolutely necessary.

2. INTERNAL SECURITY

2.1 Public order and security

The field of activity of authorities involved in internal security, particularly the police, will be affected during any period of exceptional circumstances at an early stage. Significant changes in priorities will take place in the maintenance of public order and security. Offences related to rationing and property crimes as well as acts of terrorism and vandalism will require a review of police priorities. The police will focus their resources on fighting the most serious crimes against society and individuals.

A crisis in Finland's adjacent areas may lead to the Ministry of the Interior having to assume a significant responsibility for large-scale migration to Finland, together with the Ministry of Labour and the Ministry of Social Affairs and Health. The police and other internal security authorities will in future be more closely involved in precautionary measures alongside the traditional military precautionary measures.

The police have a reserve personnel on which they may draw in order to manage the increased tasks in times of exceptional circumstances. The reserve is largely sufficient, and continuing recruitment is practised to ensure the availability of such personnel. The training system takes into account the needs of total national defence. The police reserve will be engaged by decision of the Government.

The police will protect, either independently or together with the Defence Forces, locations essential to the functioning of society and its administration. The private security sector will support the police during exceptional circumstances, especially in the protection of trade and industry locations. Protection of such locations will be brought up to date to meet present security threats. Available resources will be explored and cooperation between the different parties involved will be increased.

The police are actively participating in international cooperation on crime prevention. Nordic cooperation has intensified. Other important partners include Russia, the Baltic States and other countries bordering on the Baltic Sea. Cooperation between the internal and justice authorities of EU Member States will deepen and will become more concrete, based on the decisions taken at the Tampere European council in 1999. Certain practical projects related to the EU'S Europol police cooperation, and cooperation between authorities based on the Schengen Agreement are also aimed at improving crime prevention. Key areas include common threat assessments, planning of operations, making information systems compatible and exchanging information.

The increase in drug-related crime, a by-product of growing international interaction, is, in turn, raising the level of property crime and violent crime. Increasingly, organized and international crime is also involved. These changes will require more cooperation between the police and other security authorities, and additional resources, particularly during exceptional circumstances.

In combating terrorism, Finland emphasizes international cooperation and respect for human rights. Important instruments in this work are the thirteen international anti-terrorism agreements drawn up within the UN, of which Finland has ratified ten. Particular attention is being paid to preventing the funding of terrorism, and preparations for ratifying the 1999 convention on this matter are underway in Finland. The various international disarmament and arms control agreements are also relevant to combating terrorism, and their enforcement should be made more effective.

The EU aims at more visible and integrated action in combating terrorism and includes anti-terrorism on the agenda in its cooperation with other countries. The G8 countries have also proposed several anti-terrorism initiatives.

2.2 Protecting the population

Protection of the population during exceptional circumstances will take the form of emergency shelters, other protective structures or evacuation. Civil defence measures undertaken during a military crisis must be based on the same planning principles as military defence.

The estimated total capacity of emergency shelters is sufficient for over three million people. Capacity for an average of 80,000 people has been constructed annually. The need and the construction requirements for emergency shelters were last assessed in detail in the early 1980s. A new assessment will be carried out under the Ministry of the Interior.

Readiness for rapid evacuation anywhere in the country must be maintained and planning made more flexible. It is not necessary to determine in advance the receiving municipalities, but all municipalities must have the capacity to house evacuees. More detailed plans should be prepared for areas/regions where risk analysis shows this to be necessary. Evacuation procedures must include transfer of materials and service functions required to safeguard people's living conditions.

The most demanding situation for civil defence, apart from war, is a nuclear accident. Finland has a comprehensive radiation monitoring system. Laboratory functions for processing samples must be further developed.

Despite international agreements, biological and chemical weapons remain a threat to be taken into account, particularly regarding terrorist actions but also in military operations. Threat assessments will be kept up to date, and monitoring and protection systems will be revised accordingly.

Finland has ratified the international agreements restricting the manufacture and use of biological and chemical weapons and participates in monitoring the enforcement of these agreements.

Warning systems and systems required to make an assessment of a situation and to convey the information to others, are essential for civil defence arrangements. These systems will be improved, and they must be sufficiently compatible with the systems of other key authorities in times of exceptional circumstances.

Thirteen state emergency centres will be set up by the beginning of 2006 to handle reception of emergency calls and alarm duties related to fire and rescue services, police, and health and social welfare. These centres must be able to operate in exceptional circumstances. The centres must be placed in protected locations.

The concentration of the population in urban areas and the changes in the age structure will influence accident risks and will also have an impact on the need for and the organization of fire and rescue services.

In order to develop fire and rescue services, there are plans to set up about 20 fire and rescue regions in Finland based on the statutory cooperation between municipalities. The regions must have sufficient resources for providing and operating services even in the event of a major disaster.

The fact that different authorities have their own separate communications systems has made cooperation difficult. The joint communications network for public authorities (VIRVE) now being introduced will remove this problem within a few years.

Finland must have the capability to receive international assistance in the event of a major disaster if its own resources prove insufficient. Finland will also make arrangements to provide necessary assistance. The UN plays a central role in coordinating aid in disaster situations. Rescue services development projects involving several member states are organized and funded within the framework of the EU fire and rescue services action plan. Finland has mutual assistance agreements for fire and rescue services with the other Nordic countries, as well as Estonia and Russia.

Finland is engaged in nuclear safety cooperation with Russia based on the neighbouring areas cooperation agreement of 1992 and the cooperation protocols negotiated on the basis of the agreement.

Finland is a member of the Nuclear Safety Account and the expert group of the European Bank for Reconstruction and Development (ERBD). The EU has a major ongoing nuclear safety cooperation programme with Russia.

2.3 Border surveillance and movement of people

The Finnish Frontier Guard will continue to monitor all Finland's borders and participate in the defence of the nation. The defence planning and preparations of the Frontier Guard are undertaken in cooperation with the Defence Forces. The military order maintained in the Frontier Guard guarantees sufficient capability to react even to rapidly emerging situations.

Following application of the Schengen Agreement, regular border checks at EU's internal borders will be discontinued. However, this does not mean that border surveillance at internal borders will

end, or that the requirements to safeguard the territorial integrity of Finland will be relaxed. The discontinuing of border checks at internal borders will require close national and international co-operation between internal security authorities. Sufficient immigrant controls must also be in place at internal borders.

The Schengen provisions allow internal border checks to be reinstated if public order or national security of a Member State so dictate. Finland must maintain the capability to do this at all internal borders.

Border checks on traffic across external borders will continue at the checkpoints on Finland's eastern border, at international airports and at ports. In order to maintain Finland's internal security, external borders must be controlled credibly and in keeping with the requirements of the European Union.

Finnish border policy takes into account the evolving EU legislation on justice and internal affairs. The Frontier Guard is participating actively in the development of standards regulating external border controls in the EU. The aim is to develop a border surveillance model for those Member States with an EU external border, that will allow for enlargement of the EU without weakening its internal security.

Finland's position as an important centre of business in the Northern Dimension of the EU and the Baltic region requires that the infrastructure at the major checkpoints between Finland and Russia should allow for a smooth flow of traffic across the border. At the same time, the side effects of increased traffic should not be allowed to endanger Finland's internal security. To prevent and combat these effects, exhaustive border checks augmented with technical tools are being instituted.

In bilateral cooperation, the most important area is Russia. In cooperation with the Russian Frontier Guard efforts are made to safeguard good order on the border under all circumstances.

Routes for illegal immigration from Russia and other CIS countries to Central Europe are being closed off due to improved border control in the Baltic States and countries in eastern Central Europe. Consequently, the threat of illegal immigration to Finland is growing. This threat is further augmented by Russia's plans to transfer border surveillance resources to its southern borders, at the cost of the Finnish border. Changes in the operating environment are taken into account in Finland's border surveillance system.

Although the probability of mass migration to Finland remains low, Finland must continue to be prepared for it. Mass migration may be triggered by armed conflict, a nuclear accident, a natural disaster or a serious decline in living conditions in neighbouring areas.

Shipping in the Gulf of Finland is expected to increase significantly. The growth in the transport of oil products together with frequent passenger traffic across the Gulf of Finland increases the risk of a disaster. Finland is seeking to improve maritime safety in cooperation with the other countries bordering on the Gulf of Finland, and also with the Baltic Sea countries in general. Mutually compatible surveillance control procedures can also promote internal security.

Finland's aliens policy is based on openness, internationalization, human rights, good governance and legal protection, and on preventing illegal immigration.

Assistance to source and transit countries can be used to promote voluntary repatriation and to help

respective authorities strengthen their capacity to efficiently combat trafficking in human beings.

EThe high-level immigration and asylum working group of the Council of the European Union has drawn up action plans covering a number of countries, to deal with the issue of immigration to the EU. In immigration and asylum matters, Finland is also participating in the work of the United Nations High Commissioner for Refugees (UNHCR), the Inter-Governmental Consultations for Asylum organization (IGC), the 'Budapest group' and the Council of Europe.

3. SECURITY OF SUPPLIES

3.1 Effects of the operating environment

Extensive integration in recent years has changed Finland's operating environment in both commercial product and financial markets. The development of Economic and Monetary Union (EMU) is strengthening Finland's position, for instance through the stability brought by a common foreign currency. Finnish legislation does not give sufficient authority to regulate the financial markets during times of exceptional circumstances.

Telecommunications and information system security is increasingly important to the uninterrupted operation of various sectors in society. Other changes include the deregulation of previously highly regulated markets, stiffening cross-border competition, the depletion of national product, raw material and spare parts stockpiles, and increased dependence on foreign product and service suppliers. Networking has increased, and logistical systems have changed.

Internationalization and the changing structure of trade and industry affect the security of supplies and the range of means available for safeguarding this. Ability to ensure security of supplies using purely national measures has decreased. In a crisis, Finland can be self-sufficient only to a limited extent. Traditional basic supplies such as food, energy and health care can be secured using national substitution measures. Only in exceptional circumstances, is it possible or expedient to take supporting measures to maintain or safeguard critical production.

On the other hand, the need for national arrangements to safeguard security of supplies has decreased, because internationalization allows Finland to draw upon the resources of the EU and its Member States. Finland's national security of supplies is supplemented by the International Energy Programme (IEP) agreement and bilateral arrangements with Sweden and Norway, for example. Further bilateral and multilateral international agreements to ensure security of supplies will be sought, at the inter-governmental level and also between companies.

Improving security of supplies in the European Union

The European Union has not developed any joint arrangements to ensure security of supplies in a major crisis. Indeed, security of supplies as such does not fall within the competence of the EU. However, rapid technical and economic development and increasing integration in various sectors are creating a growing need to make common progress amongst EU Member States in the area of security of supplies. The concept of security of supplies is not defined similarly in other EU Member States in substance or extent.

Finland has considered security of supplies to form part of a broader concept of security under the EU common foreign and security policy and has maintained that cooperation over security of sup-

plies should be developed within the various policy sectors of the EU. At Finland's initiative, the Nice European Council decided to request the European Commission to undertake a fundamental review of the EU's security of supplies, together with the Council secretariat, and to determine the scope for cooperation in this area.

3.2 Revising the decision on the aims of ensuring security of supplies

In 1995, the Finnish Government confirmed the aims of ensuring security of supplies. The aim is to safeguard independent access to economic supplies based on national measures and resources in the event of disruptive situations and crises.

In order to safeguard security of supplies under all circumstances, sufficient readiness for producing commodities and for controlling production, distribution, consumption and foreign trade must be established and maintained.

In the preamble to the decision on security of supplies, it is emphasized that Finland's security of supplies must be developed and maintained at a more comprehensive level than in other countries, due to its geostrategic position, the openness and structure of its national economy, the vulnerability of shipping and the country's northern climate. No significant change has since occurred in these basic factors.

The decision stipulates that precautionary measures should generally allow for a crisis situation lasting twelve months during which Finland's ability to produce and import products and services critical for security of supplies would be significantly impaired. The requirements imposed by a state of national defence are also taken into account in determining the level of security of access to supplies. These general bases for precautionary measures remain justified.

The target sectors for security of supplies as defined in the decision are those considered essential to the functioning of society. Changes in the operating environment and technology require that special precautionary measures to increase security of supplies must continue to be implemented in these sectors.

Changes in the operating environment will affect the content, priorities and scale of the target sectors involved in security of supplies. The Ministry of Trade and Industry has begun preparations to update the Government decision on the aims of securing security of supplies.

3.3 Food supply

The aim of ensuring security of food supplies is to maintain sufficient domestic production of basic foodstuffs, domestic processing capacity in the food industry and well-functioning commercial distribution systems.

Sufficient reserve stocks of grain, seed grain, seeds for forage crops and other production input materials must also be maintained to guard against exceptional circumstances. Provisions for controlling and regulating production and consumption must also be made.

Reliance on the extensive food production capacity of the European Union will improve Finland's capacity for ensuring security of food supplies. On the other hand, recent food safety crises have

shown how vulnerable the EU food supply system can be. This underlines the significance to Finland's security of food supplies of the EU's policy of maintaining agriculture based on family farms throughout the EU territory.

Sufficient domestic production of basic foodstuffs, one of the aims of ensuring security of supplies, has been maintained, although there has been a shortfall in bread grain production for several years now.

Sufficient reserve stocks of grain and other production input materials important for ensuring security of food supplies are maintained to guard against exceptional circumstances. The volatility of seed supply is compounded by the fact that only seeds bred for northern conditions can survive in Finland. Reserve stocks of seed grain must be increased, and essential seed production and breeding enhanced to improve the security of supplies.

The processing capacity of the Finnish food industry has also remained at a sufficient level, and the share of imported food stuffs has not increased too much in relation to the need to ensure the security of food supplies. The commercial distribution system functions adequately, although continuing reductions in the size of stockpiles, due to improved logistics, contributes to the vulnerability of the distribution system in times of exceptional circumstances.

The principal areas for further development are precautionary measures for food supply logistics, ensuring the availability of safe food in the event of nuclear fallout, and the operation of production and consumption controls for exceptional circumstances within the normal administrative framework. The composition of reserve stocks will be reviewed, taking into account Finland's high dependence on certain imported raw materials in animal feed supply.

3.4 Energy supply

The aims of energy supply are to meet Finland's national energy needs and to meet the complementary commitments arising from international agreements.

Traditionally, the security of Finland's energy supply has been very good due to supply arrangements maintained by the energy sector itself. The security of supplies has been augmented through special public sector provisions, most significantly the stockpiling of imported fuels.

Deregulation of energy markets, particularly the electricity market, and opening the markets to domestic and foreign competition has shifted the basis of Finland's precautionary measures in fuel supply, electricity production and electricity distribution. On the open market, it is not financially viable for companies to voluntarily maintain a higher reliability of delivery and security of supplies than the market and customers require under normal circumstances.

On international electricity markets, different countries have different systems of precautionary measures for ensuring security of supplies and different associated requirements for companies. Measures to secure supplies must not unduly burden production in domestic suppliers. Responsibility for precautionary measures remains with the State. Maintaining security of energy supply is funded using fees levied on domestic energy consumption.

Due to the deregulation of the electricity market and exceptionally good years in the production of hydroelectric power in other Nordic countries, the share of imported electricity has increased in

Finland in recent years. There has also been a moderate increase in the use of natural gas. One of the options in the Finnish climate strategy currently being prepared is that coal as a fuel for electricity production and combined heat and power generation should be abandoned and replaced by natural gas. Natural gas is not stockpiled in Finland. If the above-mentioned policy would lead to abandonment of coal stockpiling, Finland's security of energy supplies would then rest only on domestic fuels and reserve stocks of oil products.

The choice of fuel on which electricity generation is to be founded in the long term is crucial to ensuring security of supplies. If the share of natural gas is to increase significantly, as seems apparent, and if there is no alternative source for procuring gas, the security of natural gas supplies will be based on reserve stocks of economically costly oil products, particularly light fuel oil, the alternative fuel for gas turbines.

Reserve capacity in electricity generation has decreased, as unused or little-used coal-fired plants have been gradually taken out of regular use. The reduction in these 'slow' generation reserves means that there is no reserve capacity available to cope with disruptive conditions under normal circumstances or in times of exceptional circumstances. The maintenance of reserve capacity for electricity generation must be resolved in cooperation with suppliers and companies so that electricity supply can be guaranteed under all circumstances. The possible ban on coal-fired power plants arising from implementation of Finland's national climate strategy may decrease the chances of using 'slow' reserve capacity. The aim is to create a system whereby some of the current reserve power plants would remain with their present owners, whom the National Emergency Supply Agency would compensate for costs incurred in repairing and maintaining the power plants.

Promotion of domestic fuels should be continued and enhanced from the point of view of maintaining security of supplies, as proposed in the Government white paper on the national climate strategy. Production conditions for domestic electricity generation in which investments in domestic production capacity remain feasible and commercially viable must be created. Commercially viable domestic production will provide the basis for precautionary measures in energy supply to meet exceptional circumstances.

The integration of energy markets increases the need for international measures to secure security of supplies. On the Nordic electricity market, security of supplies cannot be maintained by national measures alone, because the arrangements of one country will affect the other countries in the system. The needs and possibilities for concrete cooperation measures to improve security of energy supplies are currently being investigated.

3.5 Transport, storage and distribution systems

The functioning of transport and logistics systems is vital to modern society. Particularly critical are transport movements of food and energy supplies, the functions of central warehouses and terminals, and the repair and spare parts supply of commercial vehicles.

Developments in recent years have led to precautionary measures for transport focusing on entire transport chains rather than securing individual transport systems. Reliable systems must be developed for directing transportation in situations where transport market mechanisms no longer work, insurance is invalid and transport prioritization and pricing are controlled by public authorities.

The main priority is to secure maritime transport. Finland has begun to develop measures for sup-

porting shipping in accordance with guidelines approved by the EU.

Finland's foreign trade transport is secured by maintaining a sufficient body of ice-reinforced ships registered in Finland and by safeguarding vessel maintenance and technical functions in Finnish ports. Through the shipping subsidy arrangements, over 40 per cent of Finland's foreign trade shipping is managed with Finnish vessels. The present merchant marine fleet is sufficient to ensure estimated transport needs in a crisis situation.

Decreasing self-sufficiency in vehicle maintenance and repair, particularly as regards spare parts for heavy road vehicles, is an increasing problem. During exceptional circumstances problems may also arise in the availability of special equipment, such as tanker lorries.

Securing the technical functions of air transport and airports under all circumstances is essential. Care should be taken to ensure that Finland retains the authority to perform essential air transport under all circumstances.

3.6 Information systems

In precautionary measures to safeguard the operation of technical systems in society, the focus has been on telecommunications, major print media, public broadcasting, major information systems, payment systems and money supply, as well as information technology repair, support and maintenance functions. Energy supply transmission and distribution systems are also vital.

An open telecommunications policy will lead to a growing number of foreign companies operating in Finland. Finnish companies may also increasingly pass into foreign ownership. As a result of internationalization, worldwide services will be increasingly available in Finland.

The development and integration of satellite networks, new mobile communications networks, broadband networks, the Internet and conventional telephone and data networks may have unpredictable effects on information security and the usability of services during exceptional circumstances.

The reliability of information technology systems is founded on a secure basic infrastructure, with backup systems and a cutting-edge, competitive domestic industry, and the availability of a wide range of services.

The precautionary measures obligation enacted by Finnish law, which has long been the basis for precautionary and security measures in telecommunications and electronic communications, is an important basic requirement. Its scope will be reviewed in preparing the new communications market legislation.

The software in major information systems is mainly of foreign origin, and some systems are controlled from abroad. Maintenance and repair functions are often also performed directly from abroad. The related operating uncertainties during exceptional circumstances must be addressed in the precautionary measures taken.

Technological developments in electronic mass media occur at a rapid rate. Digitalization and the convergence of the Internet and TV and of other media will bring significant changes to the media market in the next few years. In moving to digital systems, it must be ensured that the capacity to

broadcast warnings and other official bulletins to citizens is retained under all circumstances.

Information and communications systems vital to the functioning of society must be secured through national measures. Separate networks can be constructed for functions critical to security, enabling a better level of information security and reliability than in a public telecommunications network. Public authorities must have at their disposal computer systems that meet the demands of exceptional circumstances.

Finland must improve information security and precautionary measures to deal with information threats that could endanger national security, even under normal circumstances. A bill has been submitted to Parliament on the subject of protecting services in an information society. The principles and procedures of data security administration and related official functions are currently being examined. Administrative responsibilities for information systems in exceptional circumstances must also be clarified. The Telecommunications Administration Centre should be converted into a general administrative authority for all communications and information society services, for example by expanding its responsibilities in the area of data security and protection.

On the financial markets, national and international payment systems, securities market management and other systems serving financial markets are based on sophisticated computer information systems. Overlap between banks, insurance companies, finance companies, securities markets and other actors in the financial markets is expected to increase in the future.

The Ministry of Finance has prepared a bill to amend the Emergency Powers Act in keeping with the needs and demands of monetary union and changes in the financial markets. The bill proposes that the Government would have the right to regulate the financial markets during exceptional circumstances. The financial markets here refer to finance and payment transmissions, related functions, and the institutions and organizations offering these services.

Regulatory measures could be used to regulate the volume and content of services provided in financial markets and the resources used to produce them. It must be possible to secure money supply and payment transactions during exceptional circumstances. The bill proposes that major actors in the financial markets should be required by special legislation to take precautionary measures. The Ministry of Finance is continuing the work on new legislation for the financial markets.

3.7 Social and health care

Threats to social welfare in times of exceptional circumstances include disruptions to technical systems and a weakening of the basic structures and funding base of social security. An amendment to the Emergency Powers Act provides for the Government to have the right during exceptional circumstances to control and regulate benefits and income support which fall under statutory insurance or social benefits. The aim is that the social welfare system should be able to continue supplying social services and income security for citizens even in exceptional circumstances.

In recent years, social and health care functions have shifted increasingly towards outpatient care. In health care systems, the degree of reliance on other countries has increased significantly. However, the basic structure remains comprehensive and can function even in crisis situations.

In exceptional circumstances, it may be necessary to reallocate social and health care resources regionally and to issue binding orders to municipalities and joint municipal authorities.

Management of disaster situations requires that the command system for medical rescue services be harmonized with the command systems of other fire and rescue services.

Finland is participating extensively in international cooperation to combat and manage international health care risks. The main aim of Finland's bilateral cooperation with neighbouring areas is to reduce social and health problems in those areas and to prevent potential safety risks for Finland.

Finland has signed conventions with the International Atomic Energy Agency (IAEA) concerning rapid notification of nuclear accidents and assistance in radiation hazard and nuclear accident situations. The Finnish Radiation and Nuclear Safety Authority is helping to improve safety in nuclear power plants in neighbouring areas and to enhance the radiation safety and accident contingency planning capacity in those areas.

The European Union's early warning and response system for infectious diseases is now well established. The system can be used to prevent and control the outbreak and spread of infectious diseases within or outside the Union.

The availability of essential drugs, medical supplies and equipment must be ensured in disruptive situations and exceptional circumstances. Security of supplies of drugs and vaccinations is mainly based on statutory stockpiles, an increasing share of which is dependent on imports. In addition, it has been necessary to maintain reserve stocks of crisis-specific drugs for use in a state of defence. It is also necessary to continue stockpiling major hospital materials and supplies in order to safeguard the operation of hospitals. Efforts to establish alternative sources of hospital supplies must be continued.

The pharmaceutical industry is undergoing a period of restructuring. This may have a detrimental effect on Finland's security of supplies in the future. For example, production of infusion fluids and vaccinations in Finland will be discontinued.

Finland is involved in the health care aspects of NATO's Partnership for Peace (PfP) programme by taking part in the work of the Joint Medical Committee (JMC), which operates under the NATO Senior Civil Emergency Planning Committee (SCEPC).

Threats to the safety of the Finnish population under normal circumstances include extensive environmental health problems, possible widespread epidemics, control of drug-resistant infections and safeguarding sufficient social and health care services in cases of mass immigration. Drawing up precautionary measures designed for exceptional circumstances will also be beneficial in coping with such disruptive situations.

International cooperation in ensuring security of health care supplies is increasingly important. Precautionary measures for maintaining access to drug and vaccine supplies and for stockpiling hospital supplies is necessary for international civilian crisis management, too.

The agreement between Finland and Sweden on security of supplies includes various provisions for improving the reliability of health care services.

3.8 Finland's defence industry

One of the cornerstones of Finland's national defence is a domestic defence equipment industry that is technologically and economically competitive. The national industrial strategy is defined by the Ministry of Trade and Industry.

The Finnish defence industry is small in volume compared with most other European countries. About 40 companies and several dozen sub-contractors are involved in the sector in Finland. Conventional production is concentrated in the Patria Group, which accounts for over half of the total turnover of the Finnish defence industry. The dependence of military defence on imports has increased, however, and this represents a threat in a crisis situation.

In order to manage production effectively and to improve profitability through economies of scale, the Nordic countries have formed alliances in the defence industry. Finland, Sweden and Norway have founded the ammunition group NAMMO and the explosives group NEXPLO. The vehicle division of the Patria Group is also cooperating with Hägglunds Vehicle of Sweden, which also has production facilities in Norway.

Parallel to transferring production to neighbouring countries, the Nordic countries are also negotiating a joint Nordic agreement to guarantee security of supplies of jointly produced products and to coordinate export procedures to other countries.

To achieve a significant increase in the proportion of domestic purchases in Finnish Defence Forces procurement, the defence industry must improve its competence in international cooperative ventures. Export potential may be created by specializing in fields where competence in the respective Finnish civil sector is high. This will create opportunities for Finnish industry to be involved in deliveries of equipment assembled abroad and in the subsequent maintenance and repair of this equipment at home.

International competition is forcing the defence industry to become more competitive and cost-effective. In the short term, efforts have been made to safeguard the viability of the Finnish defence industry through sufficient domestic orders and minor product development projects.

From the point of view of Finland's national defence, the defence industry must perform well in the three essential areas of competence mentioned in section II of this report.

The ability of the Finnish defence industry to function as a responsible system supplier must be improved, and the capacity to supply system maintenance as an integral part of system procurement must be created. The aim is to conclude long-term contracts with responsible system suppliers; such a goal requires long-term research and product development. Committing the domestic research community, industry and the Defence Forces to long-term product development contracts will ensure coordination of domestic resources.

The aim of international cooperation in the defence industry is to ensure that the Finnish defence industry is in a position to be a major partner with the European industry. Such partnership will increase the potential of the Finnish industry to develop its product range in accordance with the demands of the Defence Forces and to increase the share of defence equipment procured in Finland. Partnership based on technological competence will also increase Finland's capacity to import defence equipment in a crisis situation, while also increasing the role of the Finnish defence industry in materiel procurement.

System interoperability is an important consideration in international crisis management. By par-

ticipating in the procurement of defence equipment with foreign companies, the Finnish industry will increase its knowledge of the interoperability requirements as defined through various international standards and agreements.

Finland is participating in the efforts to improve European defence equipment cooperation, a goal incorporated in the EU Treaty. In November 2000, Finland was accepted as a member of the Western European Armaments Group (WEAG), through which it can participate in and influence the development of European defence equipment cooperation projects. Future cooperation through the EU is in Finland's interests.

International materiel procurement and technology projects will provide Finnish industry with the capacity to develop new know-how and to assemble, maintain and update the materiel procured. At the same time, the maintenance costs of technologically advanced systems can be cut.

Procurement funded by the development programmes of the Finnish Defence Forces can cover only part of the turnover necessary to maintain the production capacity of the Finnish defence industry. Thus, the defence industry will have to seek a significant increase in its orders from abroad. The balance of funding required for production that is economically unviable but necessary for national defence should be made up from the supply security fund as required. Amendments to the legislation on security of supplies could be made to improve the potential for safeguarding production in the industry.

4. IMPROVING PRECAUTIONARY MEASURES

4.1 Drawing up a strategy for national precautionary measures

The basics elements and principles of the precautionary measures taken by society will be set out in a national strategy for precautionary measures. The Government is to initiate the necessary investigation work. The work will involve defining the functions vital to society and drawing up action plans and development proposals.

A national strategy for precautionary measures will need to consider the effects of internationalization, structural change in society and development forecasts.

The strategy will focus on functions vital to society and will consider these in their entirety, not being constrained by ministerial or administrative divisions.

Implementation of the national strategy will involve monitoring each chosen sector or function more closely than in normal precautionary measures and analysing its capacity for operation in exceptional circumstances. Any improvements necessary will be made without delay.

The national strategy for precautionary measures will be updated regularly and its policy recommendations will be included in the next security and defence policy report.

4.2 Other areas of development

Administrative readiness

Development of administrative organizations and management mechanisms has increased efficiency and saved costs. On the other hand it has not always been possible to take into account the special needs of exceptional circumstances when allocating resources. For example, closing central government agencies, reforming regional administration and privatizing important public service functions has emphasized the need for cooperation and precautionary measures. Particular attention must be paid to the distribution of powers amongst the various authorities and the forms of cooperation between them in disruptive situations and exceptional circumstances. Joint command and action capability between public authorities and key units in the business world must be secured at all levels.

In privatizing important public service functions, legislative and other means must be used to ensure that the companies founded retain the responsibility to take precautionary measures for exceptional circumstances and the capability to function in a crisis. In many sectors, competition will improve reliability. The level of precautionary measures necessary in a particular sector must not be allowed to decrease as a result of organizational change. In outsourcing functions, it is vital that contracted services are safeguarded in exceptional circumstances.

Voluntary organizations are active in a number of the sectors of society which are important to functioning in exceptional circumstances. The work of these organizations and the services they produce should be linked more closely to precautionary measures undertaken by the authorities.

Key functions of public authorities must be safeguarded by providing sufficient secure premises and by equipping them with the systems required for command functions and for assessing the situation, monitoring developments and communicating information.

In 2000, an extensive emergency planning exercise involving all levels of administration was carried out under the chiefs of readiness in each ministry, and with the participation of all the main public authorities and private sector units relevant in exceptional circumstances. The exercise demonstrated that the capacity of society to cope with a variety of disruptive situations and exceptional circumstances is high and that the precautionary measures are implementable. At the same time, it became evident that, from the point of view of exceptional circumstances, changes are occurring in society at a rapid rate and affect the very basis of the precautionary measures taken. This makes it especially important to ensure that the principles and arrangements for precautionary measures are kept up to date.

In several key sectors, foreign or foreign-owned companies are managing service functions that would be important in exceptional circumstances. The impact of Finland's internationalization on its precautionary measures and on functioning during exceptional circumstances must be investigated.

By participating in the work of bodies coordinating NATO's civil emergency planning, Finland has access to information on the operational principles adopted and measures taken by NATO and its member countries to prepare for exceptional circumstances.

Preparing legislation as part of precautionary measures

The legal basis of the measures proposed in the emergency plans of the various sectors of public administration and of companies, and the principles for using the available resources and implementing operational arrangements must be based on sector-specific legislation or on emergency powers legislation. The main principle is that provisions for powers required in exceptional circumstances must be decided in normal circumstances.

Preparation of the required legislative changes is an essential component of precautionary measures. Passing emergency legislation should be avoided, and so provisions regarding special powers in exceptional circumstances should be entered in the Emergency Powers Act. Provisions regarding special powers in exceptional circumstances can also be included in sector-specific legislation through the normal legislative procedure, as necessary. This is in keeping with the principle enacted in the Emergency Powers Act, whereby regular procedures applied under normal circumstances should be used as far as possible to manage any situation.

Ministries must prepare in advance, and in sufficient detail, the Presidential and Government decrees and ministerial statutes and regulations required for invoking special powers under the Emergency Powers Act and the State of Defence Act. This will require interministerial cooperation and harmonization to resolve issues involving several branches of administration.

Resources and training

Precautionary measures are part of the regular work undertaken by State and local authorities, and costs thereby incurred must be included in their respective action plans and budgets. This principle is also extended to enterprises and companies under State and local government control.

Private organizations and other units vital to the functioning of society must make allowance for the expenditure necessary to ensure that they remain functional under all circumstances.

The Emergency Powers Act stipulates that public authorities have the responsibility to prepare precautionary measures for exceptional circumstances. For this reason, the authorities must have the necessary economic resources at their disposal.

The Finnish education system should, under normal circumstances, provide both young people and adults with sufficient information and skills for coping with exceptional circumstances. During exceptional circumstances, the country's educational organizations will continue functioning as normally as possible. The comprehensive schooling system enables special training to be organized effectively in the event of a crisis. Universities, polytechnics and research institutions will be particularly important in exceptional circumstances, since their human resources and research facilities can be assigned to duties required by the crisis at hand. Precautionary measures in the cultural and ecclesiastical spheres should focus on protecting the material elements of Finland's cultural heritage in times of exceptional circumstances, and also on alleviating the adverse affect of any crisis on public morale and promoting national unity.

Training in precautionary measures is the task of every organization. In administrative and business sectors, attention must be paid to staffing, the availability and usability of staff, definition of training needs and provision of sufficient training. Staff must be briefed in advance as to their duties and actions in a variety of crisis situations.

Training in precautionary measures and national defence training will be coordinated more closely in order to provide more appropriate training and to facilitate better results. Training to prepare for exceptional circumstances will also be supported by voluntary national defence training.

ANNEX 1: DEFENCE EXPANDITURE OF EU COUNTRIES AND NORWAY (FIN BILLION)

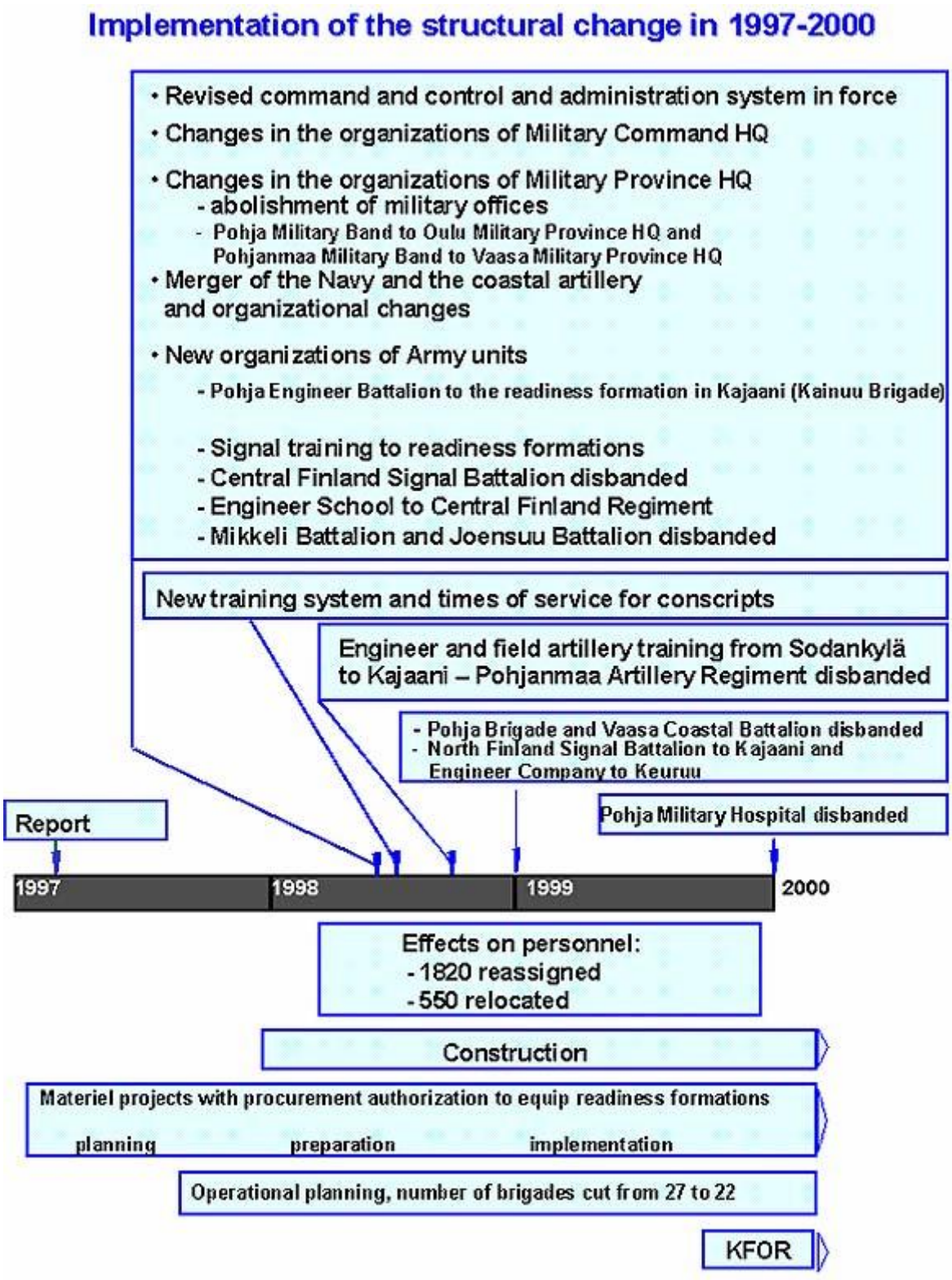
Annex 1

COUNTRY	GNP % 2000	1997	1998	1999	2000
Greece	**4,9**	**26,3**	**30,0**	**32,3**	**33,3**
France	**2,7**	**218,0**	**214,1**	**212,9**	**221,1**
United Kingdom	**2,4**	**130,1**	**135,4**	**135,8**	**137,4**
Portugal	**2,2**	**12,4**	**12,4**	**13,4**	**14,1**
Sweden	**2,0**	**29,9**	**27,6**	**27,9**	**28,5**
Norway	**1,9**	**18,1**	**19,8**	**20,4**	**20,3**
Italy	**1,9**	**118,8**	**125,1**	**132,2**	**132,0**
Netherlands	**1,6**	**36,0**	**36,5**	**39,2**	**38,2**
Germany	**1,5**	**175,1**	**177,3**	**181,9**	**181,2**
Denmark	**1,5**	**13,8**	**14,2**	**14,4**	**14,4**
Belgium	**1,4**	**19,4**	**19,6**	**20,0**	**20,6**
Finland	**1,3**	**9,4**	**9,9**	**8,9**	**9,8**
Spain	**1,3**	**40,1**	**40,1**	**42,1**	**45,3**
Austria	**1,0**	**9,0**	**9,6**	**9,7**	**9,5**
Ireland	**1,0**	**3,7**	**4,2**	**4,3**	**4,5**
Luxembourg	**0,7**	**0,7**	**0,8**	**0,8**	**0,8**

Source: NATO Review spring 2001 and Military Balance 2000/2001

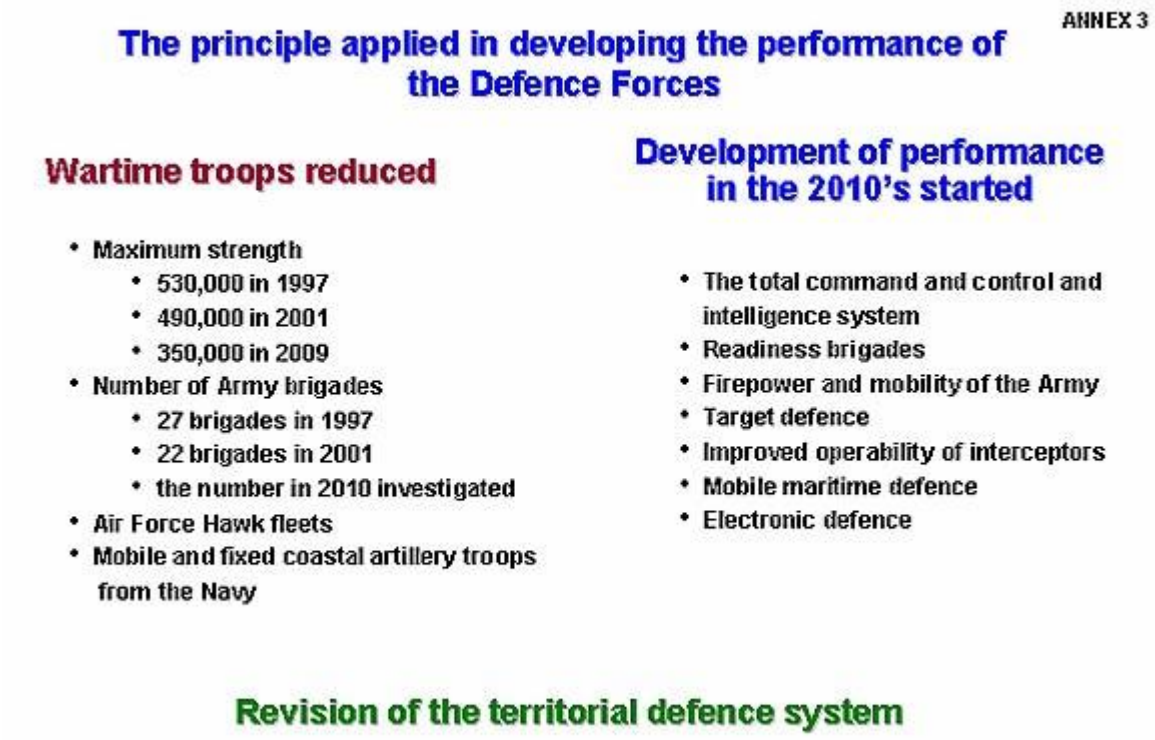
ANNEX 2 IMPLEMENTATION OF THE STRUCTURAL CHANGE IN 1997-2000

Annex 2



ANNEX 3 THE PRINCIPLE APPLIED IN DEVELOPING THE PERFORMANCE OF THE DEFENCE FORCES

Annex 3



ANNEX 4 THE MOST COMMONLY USED ABBREVIATIONS, CONCEPTS AND THEIR DEFINITIONS

Annex 4

1. Abbreviations

ABM Treaty, Anti Ballistic Missile Treaty
A Treaty between the United States and the Soviet Union, signed in 1972. It allows the use of a missile defence project to protect only one target in both of the signatory states.

BEAC, Barents Euro-Arctic Council
Founded in 1993. The members: Norway, Sweden, Finland, the Russian Federation, Iceland, Denmark, the EU. Observers: The Netherlands, Italy, Japan, Canada, Poland, France, Germany, the United Kingdom, the United States.

CBSS, Council of the Baltic Sea States
Founded in 1992. Members: Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Sweden, the Russian Federation, the EU.

CESDP, Common European Security and Defence Policy of the EU

CIMIC, Civil Military Co-operation
Co-operation between civilians and the military may include contacts between the military and local inhabitants and citizens' organizations or the military and relief organizations of various levels. One of the aims of CIMIC operations is to co-ordinate the goals of crisis management.

CJTF, Combined Joint Task Force
A command and control arrangement detached from the permanent command and control system intended for the command of joint multinational operations of all services. The arrangement improves the readiness to participate in crisis-management operations outside NATO's sphere of responsibility.

DCI, Defence Capabilities Initiative of NATO

EAPC, Euro-Atlantic Partnership Council
46 members, of which 19 are NATO member countries and 27 are partner countries.

EMU, European Monetary Union

CoE, Council of Europe
Founded in 1949. Members: Albania, Andorra, Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, the Netherlands, Norway, Portugal, Poland, Romania, the Russian Federation, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom.

OSCE, Organization for Security and Co-operation in Europe
Former CSCE. Its first Final Act was signed in Helsinki in 1975. Participating States: the same as those listed under CoE and Armenia, Azerbaijan, Belarus, Bosnia-Herzegovina, Georgia, the Federal Republic of Yugoslavia, Canada, Kazakhstan, Kyrgyzstan, Monaco, Tajikistan, Turkmenistan, the United States, Uzbekistan.

EU, European Union
Members: The Netherlands, Belgium, Spain, Ireland, the United Kingdom, Italy, Austria, Greece, Luxembourg, Portugal, France, Sweden, Germany, Finland, Denmark. European Economic Area (EEA) agreement with Iceland, Liechtenstein and Norway. Europe agreements with Bulgaria, Poland, Romania, Slovakia, Slovenia, the Czech Republic, Hungary, Latvia, Lithuania and Estonia.

EUMM, European Union Monitoring Mission
The EU's monitoring mission in the Balkans.

FRF, Finnish Rescue Force
Rescue personnel with special training for international missions.

G-7, Group-7
The Group of Seven leading industrial countries. Members: the United Kingdom, Italy, Japan, Can-

ada, France, Germany, the United States. The G-8 Group includes the Russian Federation.

IFOR, NATO's Implementation Force in Bosnia
NATO-led (under the UN mandate) implementation force in Bosnia. Multinational force for crisis-management in Bosnia-Herzegovina. Included also 18 non-NATO countries (such as Finland). The mission started in December 1995 and ended in December 1996. The work was continued by SFOR.

CIS, Commonweath of Independent States
Founded in 1991. Members: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, Belarus, the Russian Federation.

KFOR, Kosovo Force
NATO-led multinational crisis-management force in Kosovo. Started in 1999.

CSBMs, Confidence- and Security-Building Measures
In Europe, the most important military CSBMs have been defined in the OSCE Vienna Document .

MAP, Membership Action Plan
To assist aspiring countries in their preparations for possible future membership in NATO.

MTCR, Missile Technology Control Regime
Finland chairs the body for controlling the exports of missile technology in 2000-2001.

NATO, North Atlantic Treaty Organization
Founded in 1949. Members: the Netherlands, Belgium, Spain, Iceland, the United Kingdom, Italy, Canada, Greece, Luxembourg, Norway, Portugal, Poland, France, Germany, Denmark, the Czech Republic, Turkey, Hungary, the United States.

NORDCAPS, Nordic Coordinated Arrangement for Military Peace Support
A Nordic pool of personnel whose aim is to establish a Nordic Brigade for crisis-management operations.

OCHA, Office for the Coordination of Humanitarian Affairs

Functions under the UN.

PARP, Planning and Review Process
A process within the framework of NATO's Partnership for Peace programme. The aim is to develop the military resources of the countries taking part in the PfP programme.

PfP, Partnership for Peace
Started in 1994.

Nordic Council
Founded in 1953. Members: Denmark, Finland (in 1955), Greenland, Iceland, Norway, Sweden. The Åland Islands and the Faeroe Islands participate as parts of the delegations of Finland and Denmark.

REACT, Rapid Expert Assistance and Cooperation Teams
Teams consist of civilian experts.

SFOR, NATO's Stabilization Force in Bosnia
NATO-led (under the UN mandate) Stabilization Force in Bosnia continuing the mission of the IFOR operation. In addition to the NATO countries, 18 non-NATO countries (such as Finland). Started in December 1996.

SHIRBRIG, The Multinational Standby High Readiness Brigade for UN operations

START, Strategic Arms Reduction Talks
Two sets of negotiations and agreements between the former Soviet Union/the Russian Federation and the United States.

CFE Treaty, Treaty on Conventional Armed Forces in Europe
Signed in 1990 by NATO countries and the former Warsaw Pact countries excluding the Baltic States.

CFE 1a, Concluding Act of the Negotiation on Personnel Strength of Conventional Armed Forces

in Europe
Adapted; an addition to the CFE Treaty concerning military personnel.

UNHCR, United Nations High Commissioner for Refugees

WEAG, Western European Armaments Group
Members: NATO's European member countries with the exception of Iceland. Finland, Sweden and Austria.

WEU, Western European Union
Founded in 1948. Members: Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, Spain, the United Kingdom; associate members: Iceland, Norway, Poland, the Czech Republic, Turkey, Hungary; observers: Denmark, Ireland, Austria, Sweden, Finland; associate partners: Bulgaria, Latvia, Lithuania, Romania, Slovakia, Estonia.

UNIFIL, United Nations Interim Force in Lebanon

UNSAS, UN Standby Arrangements System

UN, United Nations
Founded in 1945. 189 member states.

CFSP, Common Foreign and Security Policy of the European Union

2. Definitions

Regional forces
Forces to be mobilized for the defence of the entire country. The forces are intended for combat and

support duties limited to certain areas or targets.

Territorial defence
The basic principle in the Finnish defence solution. Its objective is to keep strategically important areas in the possession of our own forces and, taking advantage of the depth of the country, to wear down and delay the invader so that the superiority needed to repel and defeat the enemy can be achieved in decisive points of our choice.

Information warfare
The entity of means by which information is provided or its handling is affected, and which aims at influencing the technical or mental capability of the adversary to wage war. Information warfare can be divided into information technology warfare and psychological warfare.

Production (of wartime units)
The entity of measures to train, equip and deploy, by which the wartime units of the Defence Forces are formed in peacetime.

International military co-operation
The measures carried out abroad or with representatives of foreign armed forces by which Finland strives to promote the achievement of its security policy objectives and to collect the information needed in developing national defence. As examples could be given international military visitor exchange, participation in arms control and confidence- and security-building measures and crisis management.

Field army
The entity formed by the wartime units of the Defence Forces mobilised during raised readiness.

Crisis management
Diplomatic, economic and military activities carried out for security policy and humanitarian reasons. By these activities the international community strives to prevent the conflict from escalating or expanding, to end the military action of the parties against each other and to make it possible to revert living conditions back to normal.

Civilian crisis management

Co-operation between authorities and provision of expert assistance, which are carried out through international organizations, in order to prevent or resolve conflicts, to handle the aftermath of conflicts and rescue operations. Other than inter-governmental organizations also play an important role in civilian crisis management.

Military crisis management
Peacekeeping, military intervention and control of the situation carried out by military means and organizations for security policy and humanitarian reasons.

National defence (total defence)
As stated in the goals of security policy, to secure the independence of the state, the country's territorial integrity and the citizens' living conditions with military and civil means.

National defence includes military defence, economic defence/economic security, civil defence, social and health care, the functioning of technical systems in society, law and order and defence information. National defence is supported by large-scale voluntary work done in citizens' organizations and others involved in cultural and educational work.

Maastricht Treaty
The Treaty on European Union entered into force on 1 November 1993. The Member States agreed on the achievement of economic and monetary union and new fields of inter-governmental co-operation. The Treaty extends the powers and tasks of the EU and enhances the prerogatives of the European Parliament.

Operational forces
For raising the defence readiness of the country, the Army, Air Force and Navy forces that can be most quickly mobilized with the best performance capability. They form the focal point in defence.

Exceptional conditions
Situations which it is not possible to control with the regular powers of the authorities.

Services
There are three services in Finland: the Army, the Navy and the Air Force.

Defence solution

The principle of implementing military defence, such as an independent or a common defence.

Defence system

The entity formed by the services, echelons, technical solutions and units, and their operational principles for the organization of national defence.

Defence readiness

Readiness to act and the performance capability of military defence.

Strategic strike

A surprise operation started with troops ready for action, aiming at quickly paralysing and seizing vital objects of the country and subjugating the Government. The attack is launched with air force, artillery pieces, missiles, means of electronic warfare and special troops against the most important targets.

Readiness of the Defence Forces

The capability of the Defence Forces to start and carry out the operations required by each situation

Readiness formation

A peacetime unit, which maintains a high level of readiness and which, together with other units, creates a capability for national defence to prevent and repel politico-military pressure and a strategic strike. Pori Brigade, Karjala Brigade and Kainuu Brigade are the readiness formations of the Army. The Gulf of Finland Naval Command and the Archipelago Sea Naval Command are the readiness formations of the Navy. Those of the Air Force are Satakunta Air Command, Karjala Air Command and Lapland Air Command

Readiness Brigade (Brigade 2005)

The focal point in developing the wartime Army troops is on the three Readiness Brigades with wartime type designation Brigade 2005. They have the highest level of equipment and are at a higher level of readiness compared to other formations.

Preparation for exceptional conditions

Contingency planning and advance preparations based on that, such as procurement of materiel,

reservation and training of personnel, and other maintenance of powers to carry out the duties as smoothly as possible during exceptional conditions. In connection with preparation for exceptional conditions, the preparatory measures taken for the security of society even in normal times and in various disturbances.