

**ESTONIAN NATIONAL DEFENCE COLLEGE**

**APPROACHING THE NEED FOR DEFENCE REFORM:  
BACKGROUND AND OUTLINES OF SUGGESTED  
ESTONIAN DEFENCE PLANNING SYSTEM**

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## NEED FOR REFORMS

Since gaining independence from the Soviet Union in 1991, Estonia has had to overcome many challenges to become a democracy with effective supporting institutions. Nowhere has this been evident than in the case of Estonian efforts to create the armed forces necessary to protect its newly regained independence. In recreating a military establishment, Estonia had to start from scratch. With no institutional memory, little in the way of useful residual military infrastructure and equipment and few trusted (at least initially) individuals with professional military education, training and experience, Estonia was with the all but overwhelming challenge of creating national military structures from all but nothing.

Indeed, the Estonian example of re-establishing a national defence force has been even more challenging than other similar states. In 1999, recognizing that the defence planning and execution systems and procedures in Estonia required reform, the Ministry of Defence and the U.S. Office of Defence Cooperation Tallinn signed an FMF training case to assist the Estonian side to develop the structures and practices needed for an effective and efficient planning system. The Center for Civil-Military Relations (CCMR), Naval Postgraduate School, Monterey, California, was requested to undertake this project. CCMR agreed to undertake this ambitious task and developed a unique methodology of delivering technical assistance in the larger area of defence restructuring and reform. An important caveat is needed: defence restructuring and reform are long-term processes and the changes being adopted by the Estonian Ministry of Defence and HQ Estonian Defence Force are still in the process of implementation.

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## BACKGROUND

Following independence in 1991, the new Estonian state attempted to move quickly to develop military capabilities in order to preserve its reclaimed national sovereignty. However, due to the fact that the final Russian military were only withdrawn from Estonia in 1994, Estonia chose first to create quickly a para-military forces to undertake border security tasks. Thus, in 1990, the Estonian Border Guards were established with considerable assistance provided by their Finnish counterparts. The creation of what has become a highly professional and effective para-military organization did have negative effects upon the insipient efforts to create the Estonian Defence Force (EDF), as well as the subsequent development of the Estonian Ministry of Defence (MoD). Yet another complicating factor was the 1990 reestablishment of the *Kaitseliit* (Defence League, or national guard) that traces its creation back to the war of Estonian independence, 1918–1920. This organization enjoys a special and important place in the Estonian national defence policy that is based upon the Nordic concept of “Total Defence”. Not surprisingly, many professional officers and enlisted personnel in the Estonian Army began in the Defence League. However, from a bureaucratic perspective, the Defence League is a **private** organization, which complicates MoD and HQ EDF management and control.

Thus, the creation of the MoD in 1992 occurred within the context of other organizations with similar and/or support defence functions already in existence and operating. The Estonian Army was formally created in 1991, led largely by Estonians who had been professional officers in Soviet Army, as well as some returning nationals. Importantly, the initial structure of the General Staff (in effect, the defence headquarters) was founded, not surprisingly largely on Soviet principles and procedures; and therefore, was not well-equipped to deal with a civilian-led MoD. Bureaucratic relations amongst these organizations and ministries were later to improve significantly. The important point being that initially, it was difficult for the MoD and General Staff, to establish themselves as the principal actors in national defence.

As a result of these realities, by the late 1990s, significant structural, procedural and organizational weaknesses plagued the MoD and General Staff. Estonia's membership in Partnership for Peace and particularly NATO's Membership Action Plan (MAP) process made the need for reform urgent. While invitations for Alliance membership will always be dependent upon the vagaries of the political imperatives of the day, the employment of objective criteria can never be ruled out. Moreover, pressures were building in Tallinn that the MoD and military needed to be reformed.

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## **CCMR's PROGRAM**

CCMR initiated its program in Estonia with a brief but comprehensive visit to Estonia to gain a full understanding of the depth of the problems Estonia faced. At that time, CCMR was asked to assist the MoD and General Staff to develop a National Military Strategy (NMS) document; where two previous efforts had failed. An NMS was subsequently drafted in late 2000 and, after full review by the Estonian government, was published in February 2001.

The CCMR assessment, the basis upon which the subsequent reform project was based, found the following general observations:

1. Inadequate communication between the MoD and Joint Staff and within these organizations;
2. Lack of clear high level planning priorities;
3. Lack of agreement on the definition of key concepts (e.g., Total Defence and Territorial Defence) and nomenclature (e.g., what constitutes Service missions);
4. Disagreement over which "strategic/operational" concept should serve as the basis for planning Estonia's national defence;
5. No clear hierarchy of planning documents;
6. Long-term force development was inadequately linked to the planning process;
7. Lack of agreement on the roles and missions of the MoD, the Joint Staff, the Services, and the Defence League;
8. Inadequate time for organizations to implement planning guidance;

9. Financial programs were not responsive to planning guidance;
10. Weak institutional memory;
11. There are no common tasks, conditions and standards within the Army to guide institutional training.

In short, CCMR found that Estonia's defence planning system was relatively underdeveloped, and largely in a state of stasis. It was difficult to ascertain precisely how defence planning was being conducted, or which specific plans informed others. Yet, notwithstanding the lack of success in Estonian defence planning, there were indications that the system and procedures was improving and even had a modest record of some successes.

Upon a full assessment of the Estonian defence planning system, CCMR formulated a number of principles to guide its envisaged technical assistance project:

1. A technical assistance project based upon the overriding principle of national capacity-building in defence planning and execution of plans.
2. CCMR would not establish a permanent presence in Estonia out of concern of creating dependency on foreign experts and to limit costs.
3. Consensus-building would be taught through group problem-solving of identified shortcomings in the planning system.
4. The introduction of an external planning system should be avoided in favor of reforming the existing systems that are increasingly becoming NATO-focused. Should this approach fail, only then new planning methodologies should be considered.
5. Group education would be the means of conveying technical training in defence planning to ensure that key planning officials from all relevant organizations were made aware of the principles and procedures of the reformed system.
6. The use of proven international subject matter experts (SMEs) and senior mentors for senior Estonian defence leadership.
7. Short workshops that focused on applying education/training to the Estonian situation/problem with the aim of drafting/ devising reformed practices, document and procedures where relevant.

The project produced a draft Estonian Defence Planning Manual that document the reformed system and contain key planning documents



and has been widely distributed throughout the Ministry of Defence and the Estonian Defence Forces.

A part of developed Defence Planning Manual follows. This extract documents an original conceptual approach to the very complex issue of developing a comprehensive, national-level defence planning system.

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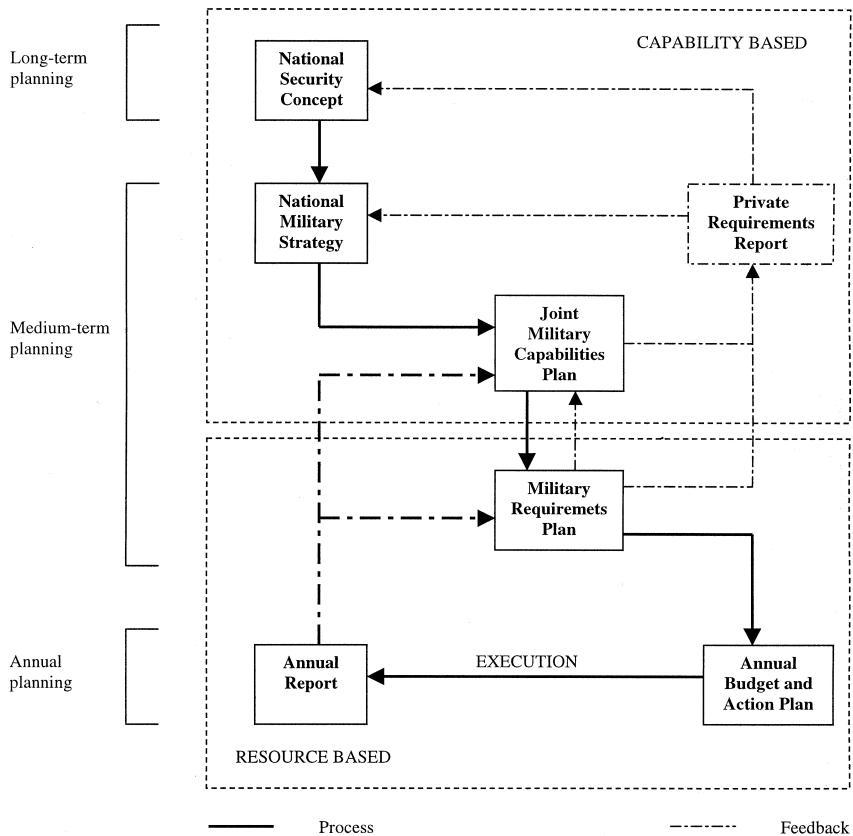
## OUTLINES OF THE SYSTEM

The Estonian defence planning system is Military Capabilities-based. The EDF Operational Planning and associated force development processes look toward the development of those military capabilities necessary to meet a range of operational requirements and tasks, specified through political guidance. This system is suited to today's security environment where the specific threat is unclear and the range of potential military tasks is determined more by security commitments, rather than threat alone.

In the context of this system, Military Capability is defined as the **quantitatively measurable capacity of each EDF structural element to perform a given task under specified conditions up to established standards**. Each structural element may have more than one capability and each capability may be carried by more than one structural element.

Within this system, the EDF's Operational Planning Process (OPP) is key to determining capability requirements for the various force elements. Operational planning is carried out within a strategic framework and seeks to translate strategic guidance and direction into a scheduled series of integrated military actions that are to be carried out by forces to achieve strategic objectives efficiently and with acceptable risks. At the strategic level, operational planning involves the development of strategic military objectives and tasks in support of the National Security Concept (and National Military Strategy) and the development of the force and materiel requirements necessary to accomplish those tasks.

Based on the planning timeframe, the Estonian defence planning system (see also Fig.1) is divided into Long-Term (10–15 years), Medium Term (5–7 years), and Short Term or Annual Planning.



**Figure 1.** Estonian defence planning system

Based on the objective of planning, the system is divided into Capability-based and Resource-based planning cycles.

Functionally, this planning system is composed of the following basic components: Planning, Programming, and Budgeting.

The fourth basic component — Reporting — should ensure adequate feedback to both Capability-based and Resource-based planning cycles.

The whole planning system (with the exception of EDF Operational Planning, not to be addressed here) is based on seven major guiding, planning, and reporting documents:

- 1) National Security Concept;
- 2) National Military Strategy;
- 3) CHOD's Private Requirements Report;
- 4) Joint Military Capabilities Plan (JMCP);
- 5) Military Requirements Plan (MRP), to include relevant Planning Guidance;
- 6) Annual Budget and Action Plan (ABAP), to include relevant Planning Guidance;
- 7) Annual Report (AR).

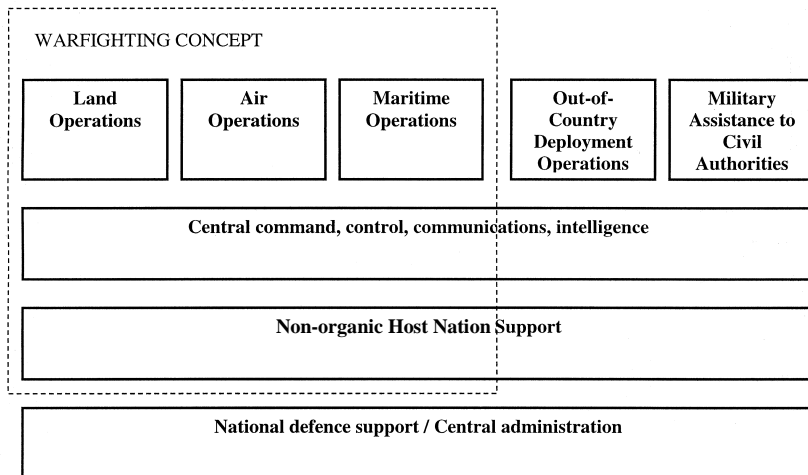
The 5-year Military Requirements Plan (MRP), Annual Budget and Action Plan (ABAP), and Annual Report (AR) constitute the core of the EDF's annual planning and management system, with these living documents updated annually. Detailed guidance for the preparation of both the MRP and ABAP is provided through the Minister's and CHOD's annual Planning Guidance documents. These documents incorporate the results of what was and was not accomplished out of the requirements established by the analysis of previous year's Report, as well as other relevant decisions and priorities.

The Joint Military Capabilities Plan (JMCP), which is based on the National Security Concept (NSC) and National Military Strategy (NMS), does not need to be updated annually and remains generally unchanged for a longer period, until changes in NSC and/or NMS require its revision. Updates to the JMCP, which do not alter the ground laying political guidance provided by the NSC and/or NMS, are made by reviewing and revising select parts of the JMCP (e.g., ministerial level planning guidance, Contingency Plans) as required.

## MISSION AREAS

Mission Areas are the categories that ensure continuity of planning through all phases of the process. Mission Areas link the missions specified under the NSC and/or NMS guidance (Planning phase) with the Force Building programs, which are developed as a part of the Programming phase. These programs direct the development of the capabilities required to perform each of these missions. Mission Areas also link Force Building programs (Programming phase) to the defence budget's Major Defence Programs (MDP) that is subsequently developed within the Budgeting phase. MDPs, in turn, constitute the budget framework through which the Force Building programs are financed.

Mission Areas group together similar or interlinked missions assigned to the Services and other organizations under the purview of the Ministry of Defence. These missions are either specifically military or derived from legal acts, and may be performed in peace- and in wartime, i.e., defending Estonian territory against a hostile force, in fulfilling Estonia's international military obligations, or assisting civil authorities (see also Fig. 2).



**Figure 2.** Mission areas

Within these Mission Areas, a number of missions (and/or tasks) are specified that require, alone or in combination, the development of detailed planning documents. The latter are to define what, how, under what conditions, and to what standards these specified tasks must be performed. Specific missions are, e.g., repulse of a surprise attack (Mission Area: Land Operations), Air Policing (Mission Area: Air Operations), or participation in maritime Search and Rescue operation under the Border Guard's lead (Mission Area: Military Assistance to Civil Authorities). The supporting tasks logically derived from the specific missions outlined in each Mission Area (e.g., conducting training in order to achieve established performance standards) should not be included into the list, unless it is a primary function of a structural element (e.g., MOD — procurement of equipment).

The NMS will specify a lead agent for each Mission Area — Service or strategic level command structure (i.e., MOD, or HQ EDF). The lead agent is responsible for maintaining the respective development program, which is based on the Capability Requirements specified through the Operational Planning process, and the supervision of financing and implementation of that program.

In strategic level Operational Planning, Mission Areas serve as additional guidance for the development of planning scenarios.

In Programming, existing and future standing and reserve units, according to their primary mission and regardless of their Service or peacetime subordination, are grouped into one of the development programs that bear the same titles as Mission Areas.

In Budgeting, the mirror image of a Mission Area will be a Major Defence Program (MDP) that bears the same title. The development and sustainment of units and structural elements grouped into a certain development program is financed through the corresponding MDP.

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## PROCESS

Hereinafter, the entire defence planning process, including its basic documents and linking activities, is described step-by-step, in its logical sequence.

The document that guides strategic level long-term policy and capability-based military planning is the National Security Concept (NSC). The NSC analyses the security environment, assesses risks, outlines the country's security commitments, and describes the readiness of the state and its people to defend the country and meet its international obligations. As politically sanctioned long-term planning guidance, the NSC defines, along with the security environment and risks, the EDF's Anticipated Missions and Required Capabilities for the next 10–15 years.

Based on the principles outlined in the NSC, the Ministry of Defence, in cooperation with HQ EDF, develops under the guidance of the Minister of Defence a draft National Military Strategy (NMS) that distills into strategic-military and military-technical terms the government's political guidance. The NMS provides the principal guidance supporting the EDF's medium-term capability-based and resource-based planning. The NMS addresses the issues of national military strategy necessary to counter perceived external military threats, including general Concept of Operations for homeland defence, resources allocated for defence, the EDF's peacetime and wartime structures, and National Defence priorities. The NMS also outlines the country's security commitments and the military capabilities necessary to fulfill these.

The NMS consists of the following major parts:

- analysis of the security environment (to include a classified Threat Assessment),
- principles of defence policy,
- planning assumptions (to include the classified Sustainability Statement),
- required military capabilities (to include those from NATO Force Goals),
- Mission Areas (see also relevant sub-chapter),
- development priorities.

The NMS is approved by the Government upon the recommendation of the Minister of Defence. The NMS covers a time-period of 7–10 years and is envisaged to remain in force for five years. The entire NMS will be revised at least every five years; its select parts (e.g., planning as-

sumptions, required military capabilities, development priorities) may be revised as required.

The first phase of planning system is Planning (see also Fig. 3). The purpose of Planning is to identify, based on principles specified in NSC and NMS, the tasks and mission requirements for the EDF, and the capabilities that need to be developed within it. Planning encompasses:

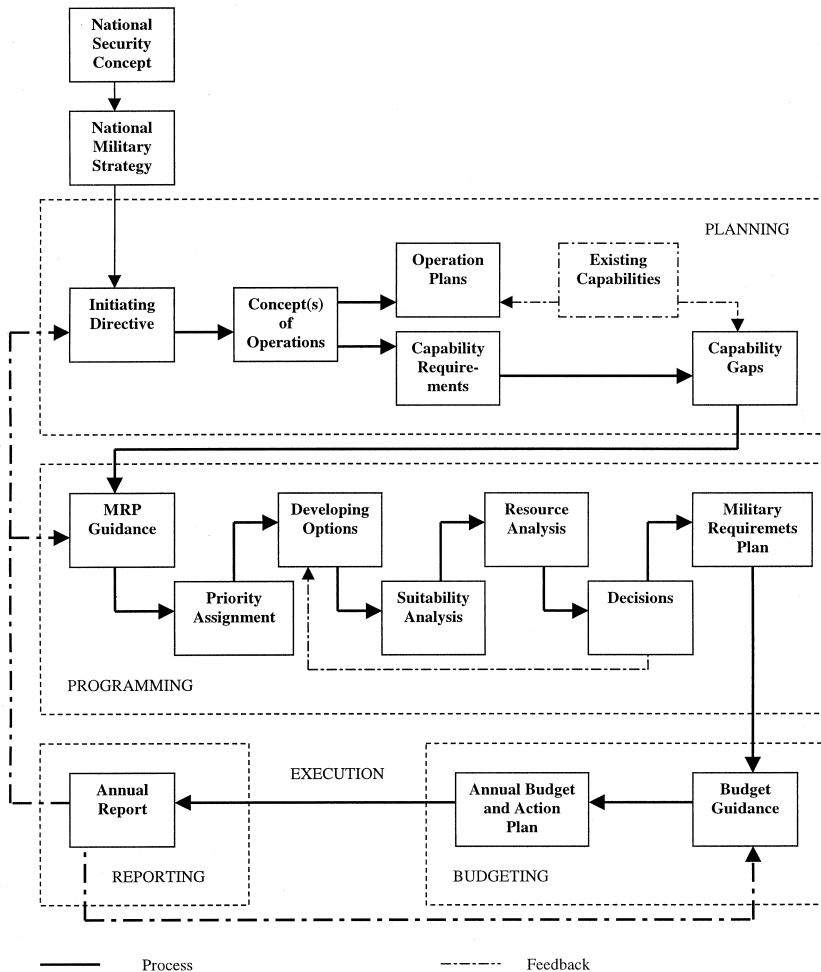
- 1) Analysis of security environment and international security obligations;
- 2) Development of a Threat Assessment;
- 3) Development and approval of political guidance;
- 4) Development of strategic level CONOPS and subsequent Contingency Plans, Functional Plans, Standing Defence Plans, and Supporting Plans that will determine the EDF Capability and Resource Requirements;
- 5) Assessment of the operational capabilities of the existing force and identifying if and where any shortfalls (capability gaps) may exist;
- 6) Linking capability requirements, defined through Mission Areas, with development- and Major Defence Programs.

Activities undertaken within planning phase are discussed in greater detail in the sub-chapter 'Planning'.

The primary outcome of planning phase is the issuance of the EDF's Joint Military Capabilities Plan (JMCP). The JMCP is not a single document but rather a set of separate yet interlinked documents. The JMCP integrates into a comprehensive framework the planning guidance, key planning tools, as well as outcomes of the planning process.

The JMCP contains:

- Identified EDF Missions and Tasks grouped into Mission Areas as provided in the NMS;
- Strategic, Operational, and Tactical level National Tasks Lists further detailing Mission Area tasks;
- The Minister's Initiating Directive;
- Concepts of Operations for homeland defence as well as for other envisaged contingencies, derived either from Estonia's international obligations (primarily through relevant NATO procedures) or national legislation (Military Assistance to Civilian Authorities — MACA) and based on the Minister's Initiating Directive;



**Figure 3.** Planning, programming and budgeting process

- Capability Profiles and Requirements derived from these Concepts of Operations, grouped into Mission Areas;
- Two sets of Contingency Plans, Functional Plans, Standing Defence Plans, and Supporting Plans developed under that directive. One



set of plans will be developed immediately based on the Current EDF Force Structure, another — based on the Target Force Structure — when the latter is developed through the Programming phase;

- Identified shortfalls in capabilities of the existing Force Structure, organized into Mission Areas. These identified shortfalls or capability gaps will be primary input for future Programming.

Based on the JMCP, the EDF resource, training, and readiness requirements, as well as development priorities, can then be specified as part of the programming phase of the medium-term planning cycle. The JMCP provides also for the NATO DPQ. Development of the entire JMCP is not a part of annual routine. However, certain parts of the JMCP (e.g., Capability Profiles, identified shortfalls in capabilities, family of CONPLANs based on the Current Force Structure) need to be reviewed annually and updated as necessary. New or revised operation plans (i.e., CONPLANs) are approved by the CHOD and reviewed by the Minister.

The secondary outcome of Planning is the CHOD's Private Requirements Report (PRR) to the Minister. The PRR is a classified document in which the CHOD, in his capacity of Senior Military Adviser, provides to the Minister — and through the Minister, to the Government — feedback on Missions, derived from the NSC and/or NMS, that he assesses are infeasible within existing or developing EDF Military Capabilities or allocated resources, and suggests changes in resource allocations and/or policy guidance. The PRR is not a routine document, but will be developed if the CHOD considers it necessary.

The second main phase of this planning system is Programming. It is based on the outcomes of Planning, with an emphasis on the capability gaps identified during the planning phase. It encompasses of the following main steps:

- 1) **Priority Assignment** — assigning priority codes to each Mission Area and the individual capability gaps identified within each Mission Area.
- 2) **Developing options** — on the basis of the results of the capability gap analysis identified through Mission Areas, defining options for

eliminating those gaps: both for each Mission area as a whole and for individual capability gaps within Mission Areas.

- 3) **Suitability analysis** — analyzing of how well these individual options will eliminate an identified capability gap in question. Eliminating ineffective or unsupportable options.
- 4) **Resource analysis** — making a detailed assessment as to the resource requirement of the options that passed suitability analysis during Step 3 and identifying available resources.
- 5) **Decision-making** — based on the assigned priorities, suitability analysis and available resources, choosing those options that eliminate the best combination of prioritized capability gaps in priority Mission Areas within the framework of available resources.
- 6) **Composition of MRP** — including the developed options that were approved during Decision-making phase into the MRP.
- 7) **Developing master plans:** within the framework of MRP, developing detailed plans for each structural element of the EDF.

Activities undertaken within the programming phase are discussed in greater detail in the sub-chapter ‘Programming’.

A key output of programming phase is the Military Requirements Plan (MRP). The MRP addresses capability gaps in the current force structure and describes in phased and sequenced manner the ways and means to overcome these deficiencies. In so doing, the MRP outlines a proposed Force Structure for the EDF, that is designed to meet the operational requirements outlined in the NMS and further specified in the JMCP.

The MRP consists of:

- Major changes in EDF Force Structure (e.g., formation, re-subordination, re-formation, and disbanding of units, to include reserve units);
- Major personnel movements within the EDF (e.g., number of conscripts taken in for training and sent to reserve, etc.)
- Major construction projects,
- Major procurement,
- Research and Development,
- Financial resources (grouped into Major Defence Programs).
- Special classified annex that addresses un-financed requirements and associated risks, thus providing for feedback mechanism.

The MRP serves as a basis for the NATO DPQ (PARP and ANP processes for the time being), as well as for annual defence budgets. The MRP is an integral part of annual planning and execution routine and covers years 2–6 of the medium-term planning cycle. Every year, the first year of approved MRP will serve as a foundation for next year’s Annual Budget and Action Plan, with the time period covered by the new, revised, MRP sliding one year into the future. The MRP is reviewed by the CHOD and submitted to the Minister for approval.

The third phase of the planning system is Budgeting, which is based primarily on the outcome of the Programming phase, i.e., the MRP. Budgeting encompasses:

- 1) Development of prioritized, detailed, phased and sequenced annual action plans for each unit/structural element within the purview of the Ministry of Defence in order to create or maintain capabilities, specified in the JMCP and within the framework of MRP;
- 2) The detailed allocation of financial resources to each unit/structural element, sufficient to sustain these actions.

The Annual Budget and Action Plan is developed based on the first year’s development plan of the approved MRP and follows the same format. In order to link the Action Plan with finances, Major Defence Programs in the format of state budget are used. Annual Budget and Action Plan constitutes integral part of annual planning and execution routine.

The fourth phase of the planning system is Reporting. Reporting is conducted in two major areas: financial reporting in accordance with relevant Ministry of Finances regulations (not to be further addressed within this article) and activities’ reporting. Annual **Activity Reports** are developed using Capability Profile and MRP formats, and should provide adequate feedback for both the Capability-based and Resource-based planning cycles.

Annual Activity Reports are used to provide:

- 1) Feedback to JMCP — actually achieved capability and readiness levels of EDF units as certified through exercises or testing, using simplified Capability Profile format;
- 2) Feedback to MRP — using the MRP format, outlining in particular

- a. Executed changes in Force Structure (formation, re-subordination, re-formation, and disbanding of units, to include reserve units),
- b. Actual personnel movements (active duty professionals, conscripts, and reservists),
- c. Actual construction,
- d. Actual procurement,
- e. Actual Research and Development.

Activity Reports are prepared by all units, staffs, and other structural elements within the purview of the MOD.

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## PLANNING<sup>1</sup>

By and large, the Estonian PPBS Planning cycle covers two somewhat separate realms — policy planning and defence planning. Organizations under the purview of the Ministry of Defence have responsibilities for both. Whereas aspects of policy planning — participation in the development of national level guidance in form of NSC and NMS — have been addressed in sub-chapter ‘Process’, the more detailed description below focuses on defence planning activities within the Ministry of Defence and Joint Staff.

The following methodology fulfils two important functions:

- 1) To optimize the structure and Capability Requirements of a Force Package assembled/developed to accomplish a given mission or task under assumed physical and military conditions. In the context of long-term planning, primarily J5 HQ EDF leads this process as part of the Force Development cycle. E.g., at strategic-military level, the planned operation is the defence of Estonia against a hostile power, whereas the Force Package is the entire EDF with its wartime strength. In the context of short-term crisis response planning, this process is conducted by the Joint Operational

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<sup>1</sup> Assumed being already functional, techniques and procedures to analyze security environment and develop Threat Assessment will not be addressed in this article.

Command. E.g., the planned operation is participation in CRO in Balkans, whereas the Force Package is a company-sized specialized unit.

- 2) To assess conformance of military capabilities currently existing within the EDF with capability requirements derived from Operational Planning. This process is conducted primarily by J3 HQ EDF, the Joint Operational Command, and the Services within the Force Building cycle as part of their medium-term and annual planning.

The same methodology is applicable to the entire EDF, as well as to Services, units, staffs of all levels, and to the MOD and civil organizations in its purview, in order to develop capability requirements and assess the conformance of currently existing capabilities with required capabilities.

Outside the purview of the MOD, the same methodology is applicable to the development of defence-related capability requirements for specialized units and structures (e.g., Border Guard, Rescue Board EOD team, etc.)

Before outlining the main steps in Planning, it is necessary to discuss the key planning tools that are employed in this phase of the process.

## **Mission areas**

The primary mission of defence structures under the purview of the Ministry of Defence is to be ready to defend Estonia against a hostile power and to fulfill Estonia's international military obligations. An additional mission is to render support to Estonia's civil authorities as directed by the law.

Based on the approved NMS and other legal acts, the missions for organizations under the purview of the Ministry of Defence are grouped into eight Mission Areas:

1. **Land Operations** (lead agent — Army): operations undertaken to prevent the enemy from seizing terrain or breaking through into a defended area. Such operations aim to break the enemy attack, slow his

advance, destroy his forces and stop him from accomplishing his aim. In so doing they create the circumstances for reinforcement by friends and allies, offensive action, and restoration of the sovereignty of Estonia. Capabilities developed under this Mission Area should also meet the requirements for eventual Article 5 operations outside of Estonia. Specific missions under each Mission Area hereinafter should be considered only as examples. While developing the real JMCP, they must be re-defined as necessary.

Specifically, this Mission Area has the following missions:

- 1) Area Defence — operations to deny enemy access to terrain/facilities;
- 2) Mobile Land Defence — operations to defeat/destroy enemy forces;
- 3) Land Retrograde — operations to resist, exhaust, and damage enemy forces;
- 4) Stay-behind Harassment/Interdiction;
- 5) Prevent/Minimize Disruption of Support;
- 6) Protect Personnel, Facilities and Strategic Assets;
- 7) Protect Rear Area LOCs.

2. **Air Operations** (lead agent — Air Force): active and passive measures that seek to gain and maintain the required level of control of the air to protect friendly forces, facilities and lines of communications. Capabilities developed under this Mission Area should also meet the requirements for eventual Article 5 operations outside of Estonia.

Specifically, this Mission Area has the following missions:

- 1) Passive and Active Defence of Friendly LOCs/Strategic Assets;
- 2) Passive and Active Protection of Friendly Bases;
- 3) Passive and Active Support to Friendly Land and Naval Forces;
- 4) Combat Search and Rescue;
- 5) Air Policing.

3. **Maritime Operations** (lead agent — Navy): any actions performed by forces on, under or over, the sea to gain or exploit command of the sea, sea control or sea denial in order to protect sea lines of communications and to facilitate power-projection from the sea. Capabilities

developed under this Mission Area should also meet the requirements for eventual Article 5 operations outside of Estonia.

Specifically, this Mission Area has the following missions:

- 1) Sea Denial — operations to delay, disrupt, attrite enemy forces and protect friendly forces;
- 2) Anti-Surface Warfare — operations to destroy enemy naval forces;
- 3) Naval Control of Shipping.

**4. Non-organic Host Nation Support** (lead agent — Ministry of Defence): civil and military assistance rendered in peace, tension, crisis, or war by Estonia to friendly forces and organizations, which are located on, operating on/from, or in transit through Estonian territory. Host nation support is intended to provide a means for the provision of external assistance to the Estonian Defence Forces' war fighting concept. These activities constitute a separate Mission Area to the extent they exceed the limited organic support capability of EDF unit structures, training, and stock levels. A principal role for the EDF in this Mission Area will be managing planning for, and execution of, HNS operations and providing the C4 assets necessary to interface with and manage all involved forces and personnel.

Specifically, this Mission Area has the following missions:

- 1) Managing and providing necessary assistance to friendly forces deploying into, operating in, or transiting Estonia;
- 2) Establish Unity of Effort among Forces transiting and operating in Rear Area;
- 3) Multinational and Interagency Relations Management.

**5. Out-of-Country Deployment Operations** (lead agent — HQ EDF). All out-of-country operations engaging EDF units or personnel (to include fighting a war under Article 5 or in the framework of any *ad hoc* coalition). In peacetime, this Mission Area includes primarily peace operations, humanitarian operations with the participation of Estonian military personnel, and participation of the EDF units or personnel in international exercises outside Estonia. In addition, this Mission Area covers all pre- and post-mission activities, also the sustainment of EDF units or personnel deploying, currently deployed, and re-deploying through the EDF's organic support capabilities, as well as through

gaining missing support capabilities (e.g. air or sealift) from the Host Nation or coalition partner.

Specifically, this Mission Area has the following missions:

- 1) Peacekeeping;
- 2) Military Diplomacy;
- 3) Peace Enforcement.

**6. Military Assistance to Civil Authorities (MACA)** (lead agent — HQ EDF). Assistance rendered by the EDF to civil authorities as directed by the law. Relevant contingency planning (Functional Plans) is initiated by the Minister of Defence upon request from the Minister of Interior. In all cases, the EDF has supporting role under the lead of specified agency under the MOI purview.

Specifically, this Mission Area has the following missions:

- 1) Anti-terrorist Measures to Protect Individuals and Property;
- 2) Terrorism Response Operations;
- 3) Civil Emergency Operations;
- 4) EOD/IED;
- 5) Property/Personal Protection in Civil Disturbances;
- 6) National Search and Rescue;
- 7) National Law Enforcement.

**7. Central Command, Control, Communications and Intelligence Structure** (lead agents — MOD and HQ EDF according to subordination). Execution of command and control of subordinate forces, as well as intelligence gathering, analysis and dissemination. Sustainment of these activities at the levels of central and regional command. Also, the need to develop and maintain a C4I capability that will allow the EDF interoperability with NATO/friendly forces and expand to incorporate necessary C4I links with friendly forces in time of crisis.

Specifically, this Mission Area has the following missions:

- 1) Offensive C2 Warfare;
- 2) Defensive C2 Warfare;
- 3) Prevent/Minimize Enemy Attacks on Friendly C4I;
- 4) Strategic Intelligence, Surveillance, and Reconnaissance;
- 5) Counter-Foreign Intelligence Collection.



**8. National Defence Support / Central Administration** (lead agents — MOD and HQ EDF according to subordination): activities of EDF units, Ministry of Defence and civil organizations under its purview, to ensure defence support not falling under other Mission Areas.

Specifically, this Mission Area has the following missions:

- 1) Security Forces Mobilization;
- 2) National Mobilization;
- 3) Defence Education.

These Mission Areas, and missions specified within them, provide guidelines for the initiation of Operational Planning, in particular, for the development of Initiating Directive and Contingency Planning Scenarios.

### **Tasks List**

The Tasks List is a key a planner's tools. Tasks Lists, in their different forms, are employed in all sub-sets of the planning process from Force Development to Crisis Response Planning. In its generic form, the Tasks List appears as a list of organized and grouped main- and sub-tasks to be executed by organizations, staffs, or units at all levels while conducting an operation (campaign) in completing assigned mission requirements. Tasks List does not include limiting factors like Task Conditions and Performance Standards.

The National Tasks List is a list of all envisaged tasks for the entire EDF, regardless of Service, the EDF should execute in the framework of guidance provided in the NSC and NMS.

National Tasks Lists are developed as required for Strategic, Operational, as well as for Tactical level, for the purpose of clearly delineating specific tasks to be performed at respective level of command.

The Tasks Lists for all three levels are structured similarly, using the same subcategories, addressing all major areas of military activities:

- 1) Command and Control
- 2) Intelligence
- 3) Conduct Operations
- 4) Mobility
- 5) Force Protection
- 6) Sustainment

- 7) Force Generation
- 8) Coordination

Organizations of central command and control — the MOD and HQ EDF — will derive from National Strategic Tasks List their specific MOD<sup>2</sup> and HQ EDF Strategic Level Tasks Lists; the Joint Operational Command its Operational Level Tasks List from National Operational Tasks List; and Services and Regional Commands their Service-specific Tactical Tasks List and Regional Command Tactical Tasks List from National Tactical Tasks List. These Service- and Command-specific Tasks Lists are to clarify and clearly delineate specific tasks to be performed at respective service or command level.

For the purposes of enhancing Operational Planning and command, Mission-Essential Tasks Lists (METL) will be derived from relevant Service- and/or Command-specific Tasks List for planned mission or task requirements under anticipated conditions. E.g., in the context of Contingency Planning, the planned operation is homeland defence within three scenarios — Intimidation, *Coup de Main*, Full-scale Military Attack — as defined in the NMS; in the context of Crisis Planning, planned operation could be of whatever scale based on any actual crisis situation. The METLs are also used for specifying training and readiness requirements for units.

## Task Conditions

Task Conditions describe the parameters of the environment, in which an operation is planned to be conducted. Task Conditions are divided into Civil, Physical, and Military conditions (for greater detail, see NATO Bi-SC Directive 80–90 of June 19, 2001, Chapter IV “Conditions for Joint Tasks”).

Civil conditions describe factors related to a people, their government, politics, culture, and economy that affect military operations. In

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<sup>2</sup> It should be stressed that MOD Strategic Tasks List covers only the functions of the MOD in its capacity of directing authority at strategic-political level of the chain of command, and **NOT** the whole spectrum of MOD responsibilities, e.g., in executing procurement or establishing standards for military education

the context of the Estonian defence planning system, Civil Conditions are applicable primarily to planning out-of-country operations.

Physical conditions include factors of natural environment and other factors, within the natural realm, as modified by civilization. Physical conditions must be considered while planning for homeland defence, as well as for fulfilling Estonia's international military obligations, and for rendering support to civil authorities.

Military conditions describe factors related to the mission, command structure, and forces. These factors can apply to allied, neutral, and enemy forces. Categories of Military conditions used in Contingency and Crisis Planning are different. Military conditions for Contingency Planning follow the structure of relevant Tasks List and provide discrete value to each required capability (e.g., tons, hours, kilometers, percentage of hits, etc.) Military conditions used in Crisis Planning are relative in their nature and are given, to the extent possible, in comparison with the closest existing Contingency Plan typically on scale 'better than planned' — 'close to planned' — 'worse than planned' (for greater detail, see NATO Bi-SC Directive 80-90 of June 19, 2001, Chapter IV "Conditions for Joint Tasks" pp. 4-9 to 4-23).

### **Performance standards**

Performance standards are descriptions of activities and required levels of performance, defined through Operational Planning for the successful completion of specific operation requirements.

Wherever possible, performance standards should be metric-based, employing objective criteria, derived from operational analysis. Examples: accuracy, range/radius, probability of hit/kill, detection range, speed over distance, rates of fire, target acquisition time, speed over time, load capacity, sustainment periods, availability rates.

Operational performance standards constitute an essential input into the force development and national programming systems, as well as the Operational Planning Process (OPP).

## **Capability Profile**

Adding Task Conditions and Performance Standards to a Tasks List, provides key components of the Capability Profile for an existing or planned unit or Force Package having a given task requirement. This Capability Profile describes existing or required capabilities of that a unit or Force Package must have if it is to fulfill a given task in its complexity.

Responsibility for the development of Mission Area Capability Profile resides with the Lead Agent of respective Mission Area. Ultimately, a Capability Profile should be developed for all units from battalion (or equivalent) up, and all organizations that must perform specified Operational or Tactical level tasks.

For existing line and reserve units, developed Capability Profiles must be updated annually. These updates must be based on Annual Report's information of actually achieved capability and readiness levels as certified through exercises or testing. Based on unit profile updates a Mission Area Lead Agent should update annually the Mission Area Capability Profile, this Agent is responsible for.

After being familiarized with the key planning tools, the four steps of Planning are discussed below.

### **Step One: Issuance of Initiating Directive**

The defence planning process, based on broad guidance provided in NSC and NMS, begins with the issuance of the Initiating Directive by the Minister of Defence as the senior political authority within the defence establishment. As such, the Initiating Directive is an instrument to start and guide operational planning. It provides the situation, political and/or military objectives, tasks and the desired political and military end states.

## **Step Two: Development of CONOPS**

Based on guidance provided in the Minister's Initiating Directive, under the CHOD's supervision, HQ EDF and the JOC will then develop the necessary strategic level Concept(s) of Operations (CONOPS). Planning scenarios, to be used in CONOPS development, should address all contingencies outlined in the NMS and specified through the concept of Mission Areas. Development of CONOPS is an integral part of Operational Planning.

The CONOPS expresses the military commander's intentions on the use of forces, time and space to achieve his mission, objectives, and end state. It includes how the capabilities of the available resources are to be synchronized towards this goal. The format of a CONOPS document consists of a situation overview, mission statement, commander's intent, outline concept for execution, force capability requirements, outline logistic support concept, key command and control arrangements, and other resource requirements.

While developing CONOPS for fulfillment of Estonia's international military obligations, it is important to remember that these international military obligations of Estonia may derive from membership in the United Nations, an organization of collective security or collective defence, as well as from bi- and multilateral international agreements or relevant decisions of the *Riigikogu*.

Capabilities required from the EDF, MOD, and civil agencies under its purview necessary to plan and prepare for, and conduct such operations will be determined either routinely through relevant planning and execution procedures of respective organization (e.g., NATO Force Goals), or under coordination of a lead nation in case of an *ad hoc* coalition.

## **Step Three: Development of Capability Profiles**

Capability profiles will be developed in three steps: 1) statement of tasks, 2) the conditions under which tasks must be performed and, 3) performance standards to which the tasks must be executed.

This three-step process can serve three different objectives. First, to assess current force structure against operational requirements, as spe-

cified in the Estonian War-fighting concept, further defined by contingency planning. Second, to develop a force structure (force package) designed to meet specific operational requirements. Third, serve as a basis for identifying gaps between required and existing capabilities.

1. **Tasks:** mission-area lead agents must examine the National Tasks Lists and extract those key tasks they must accomplish in order to meet their responsibilities under the Estonian War-fighting concept and crisis response operations. For the first three Mission Areas — Land Defence Operation, Maritime Defence Operations, and Defensive Air Operations — the Tasks Lists are essentially the tactical tasks lists of respective Service. Lead agents should begin their respective tasks lists development using the tasks outlined in the National Tasks List. Lead agents would then present their proposed mission-essential tasks lists to the CHOD for review, coordination and approval. The Service tasks lists should include a comprehensive description of each task and its associated sub-tasks.
2. **Conditions:** Once approved, lead agents will use the physical and operational conditions associated with likely courses of action, operational requirements, or missions, as a basis for refining their tactical tasks list. This refined task list will help better identify the types and scale of capabilities needed to support specific operational requirements. The metrics for physical conditions can be derived, in part, from the **NATO Tasks List** (Chapter 4, Conditions for Joint Tasks). Operational conditions must be based on the total force package required to perform a specified mission areas, as opposed to specific Service units. Metrics for defining operational conditions can be derived from **Allied Joint Publications** and other sources.
3. **Task Performance Standards:** Standards specify the degree of effectiveness to be achieved in performing a task under a given set of conditions in order to assure mission success. These standards will be proposed by the lead agents (Border Guards with regards to their defence-related tasks), reviewed by the Joint Staff and approved by the CHOD (in the case of civil agencies, by the Minister of Defence). Performance standards need to be derived from, and tested in, operational analysis studies. Other sources of

standards include NATO and friendly nations' defence establishments. Where it is appropriate, metrics should be quantified, but not all standards can be quantified. There is a need to incorporate qualitative standards where they are appropriate, although they are more difficult to measure.

Using approved CONOPS that outline the envisaged operational requirements, conditions and standards as a base, the Joint Operational Commander with the assistance of the Joint and Service Staffs will develop three Component Capability Profiles (CCP) — Land Component Capability Profile, Air Component Capability Profile, and Maritime Component Capability Profile. These profiles establish environment capability requirements and performance standards to execute this concept. Component Capability Profiles will be endorsed by the CHOD.

The performance standards, established in CCP should be based on the JOC's intent, which is derived from operational analysis. From this analysis, the JOC selects the level of effectiveness required of his forces to complete successfully his directed mission. Operational performance standards must be applied to all mission-essential tasks selected by the JOC to support his concepts of operation.

#### **Step Four: Gaps Analysis**

The J5 HQ EDF regularly compares Mission Area Capability Profiles with the JOC's requirements (Component Capability Profiles) to ensure that the latter are being met by the Services, and assesses the capabilities of the existing EDF Force Structure to determine gaps and shortfalls between what is currently available and what is required in endorsed Component Capability Profiles.

A cross-examination of the data will produce two key findings. First, gaps in required capabilities will be made obvious. Second, areas where existing capabilities are insufficient to support the Concept Plan requirements will be made manifest. The output of this analysis, which is also a major input for the Programming phase, is a sized Capability Gap that is defined in performance terms, and endorsed by the JOC and CHOD.

## Summary

The outcomes of Planning phase, which are in turn inputs for the Programming phase, are

- quantitatively measurable force package capability requirements specified for CONOPS developed under the approved NMS<sup>3</sup>
- capability profiles for existing units and structures.

These capability requirements also provide a basis for development of respective training methods and plans by the Services, as well as for acquiring and maintaining necessary stock levels.

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## PROGRAMMING

Programming phase of this defence planning system draws upon the outcomes of the planning phase: developed Capability Gaps that must be addressed to enable the EDF to execute endorsed Concepts of Operations. Programming is a recurrent (cyclical) process in its nature, incorporating the development of new units envisaged for the EDF's future Force Structure and upgrading/maintaining existing units. In other words, programming integrates new inputs from the Long-Term Planning cycle into the recurrent process of maintaining of the existing Force Structure. The most important function of Programming phase is decision-making that balances resource requirements from the endorsed JMCP with an estimated resource availability. To enable decision-making and the subsequent detailed planning to be effective there are several steps that must be followed:

### **Step One: Priority Assignment**

The first step in programming is assigning priorities to each Mission Area and individual Capability Gaps within a mission area. The need for identification of priorities is obvious: there are never enough resources. This means priorities need to be established that guide

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<sup>3</sup> It should be stressed here, that significant part of Capability Requirements would stem actually from NATO Force Goals.



decision-making regarding which Capability Gaps will get required funding and other resources and which will not.

It is recommended that some sort of coding system be established. For example the coding system could use three different priority categories: Code One (or priority 1 or P1) would indicate highest priority, Code Two priority and Code Three secondary and third priority. Assigning a priority code one to a Capability Gap would mean that this Capability Gap must be eliminated at the expense of lower coded items. Code Two would mean average importance and Code Three would mean that no or only limited resources will be allocated to eliminate this Gap unless all Gaps with higher priority codes have received adequate resources<sup>4</sup>. By definition, only a handful of Capability Gaps should have Code One, otherwise everything becomes priority, which makes this coding system useless. Assigning priorities is a joint military and civilian activity. In military, the ultimate decision-making authority is the CHOD, on civilian side — the Minister of Defence. In case of a conflict of opinions, the Minister will have a final say.

After all mission areas and Capability Gaps have been prioritized, resource ceilings for individual mission areas and/or Capability Gaps may be specified in advance, if there is enough experience available about the nature and resource requirements of certain mission area and/or Capability Gap. However, if being employed for the first time, it is recommended to postpone this until the decision-making phase, otherwise a lot of unwanted and possibly ill-informed decision-making is done before analysis. The importance of this step cannot be underestimated: it is the basis of all remaining steps.

After priorities have been specified, it is time to start developing options to eliminate identified Capability Gaps. The priority guidance given during Step One forms the main content of the ministerial guidance for composing the EDF five-year development plan (Military Requirements Plan (MRP)).

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<sup>4</sup> Of course, the resource requirements of individual Capability Gaps identified during later programming steps must remain realistic and focus on reasonable minimum with small safety margin. If this principle is not followed, then practically all resources could be used up to eliminate just Code One priority Gaps, because adding more resources to a Gap would almost always facilitate eliminating the Capability Gap in question.

## Step Two: Developing Options

This process identifies, analyzes, and compares the performance of suitable options for addressing the Capability Gap identified in the first stage. Of course, high priority Capability Gaps should be considered first whereas it could be sufficient to develop only one option for Code Three Capability Gaps. Consideration should be given to non-equipment, as well as equipment, options (e.g. changes in doctrine, training, organization, materiel and stocks, education, etc.). The objective criteria for analysis and comparison include measures of operational effectiveness (MOE), NATO-interoperability, policy implications, resource costs, feasibility of fielding an option within required time, and expected effective life of an option. First the options are considered at a generic level, using typical examples. After generic options have been identified, their suitability is assessed and potentially acceptable options are specified: i.e. associated with concrete actions that will be taken within the EDF existing and planned units (if the options describe an action that can easily be associated with concrete units).

In order to simplify activities in the subsequent steps (especially Mission Area resource analysis) and associate the activities with concrete units, all EDF units and agencies under the purview of the MOD (both existing and planned in an option) are allocated to one and only one Mission Area according to their primary mission. The Mission Areas of 'Out-of-country Deployment Operations' and 'Military Assistance to Civil Authorities' are exceptions, as units will be allocated only temporarily and for executing a specified, often narrowly-defined, operation. Another exception will be where a unit is included in several options at the same time<sup>5</sup>.

By developing options, common sense should be used regarding what is feasible within available resources, e.g. it does not make sense to operate with nuclear weapons and aircraft carriers by the year 200X. However, detailed resource requirements of the individual options will not be developed during step two. This is because making detailed resource assessments would require developing *all* options to a very

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<sup>5</sup> Of course, if there are two options containing the same unit as the main contributor, then one option cannot be approved in this format, because a unit can have its major function only in one option at a time.

detailed level that would put too heavy a burden on the analysts and extend the processing time. Options will be developed for every Capability Gap and mission area as a whole<sup>6</sup>. Developing options is mainly the task of military planners. However, civilian experts from the MOD need to be involved early on with this process to provide their expertise and to keep the military proposals in line with MOD guidance.

After a list of possible options have been determined, their suitability will be assessed during Step Three.

### **Step Three: Suitability analysis**

The purpose of this step is to determine how well the options identified during step Two will redress the Capability Gap in question. It is based on the logic, that there can be different *degrees* of suitability, i.e. although there could be several options that can eliminate a Capability Gap, one of these options is doing this better than the other.

To display the results of the analysis there is a need for another set of codes. The suitability codes then reflect *how well* an option eliminates the Capability Gap in question. There should be at least four suitability codes; Code One (or suitability 1 or S1) would mean that the option is excellent at eliminating a Capability Gap, Code Two means acceptable suitability, Code Three partial suitability and Code Four unacceptable suitability. Of course, a much more detailed coding system could be used (like ten or five digit systems). After the suitability codes have been assigned, it is possible to eliminate those options that are useless because they cannot eliminate their Capability Gaps to any acceptable degree (Code Four options). Assigning suitability codes and eliminating less suitable options should mainly be the responsibility of military planners and CHOD, although MOD experts can also participate.

In doing suitability analysis, two things must be stressed. First, eliminating less suitable options does not imply that this analysis should restrict the number of plausible options to redress each Capability Gap to only one. On the contrary, this should not be done, because an im-

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<sup>6</sup> Options for the entire mission area are basically the sum of the options developed for the Gaps in this area.

portant part of the analysis — resource assessment — has yet to be made. Second, no decisions should be made at this stage on actual selection of options to be implemented.

The results of the suitability analysis — ranked options with their associated codes (both P and S-codes) — will then become inputs for the next step: resource analysis.

#### **Step Four: Resource Analysis**

Within this step, there are two separate activities that must to be accomplished. First, there is a need to estimate available resources within the timeframe in question (by default it is 5-year period, beginning from the year after next) and second, the resource requirement of each of the options identified during Step Three.

While assessing the availability of resources, the most important categories are personnel and financial resources. This is based on the assumption that all material resources can easily be translated into money, e.g. if more rifles or ammunition are needed, they can be procured provided there is money to do that. On the other hand, more trained personnel cannot just be “bought,” if needed. Of course, a more detailed analysis should also include a number of non-financial factors like availability of storage space, trainers and time, as applicable<sup>7</sup>.

After the general availability of resources has been determined, the resource requirement of identified options can more reasonably be assessed. For the analysis to be effective, the options need to be further specified than was necessary during Step Three. The description of these “enhanced” options must be explicit enough that a detailed and realistic resource requirement can be derived. At minimum, this description must answer the following questions: personnel requirements both in terms of numbers and personnel cost, necessary equipment and procurement and O&M costs, necessary construction and construction costs. For all cost and requirement types, there must also be an approximate timeline as to when an activity (and the associated resource requirement) takes place.

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<sup>7</sup> Alternatively the general resource availability assessment could also become the background for all programming, i.e. this information is given to the military planners by MoD.

At this point, it becomes clear why all units and agencies under the purview of the MOD should generally belong to one Mission Area only. Most importantly, this simplifies cost allocations between Mission Areas and avoids double-counting. As a result, the costs of a unit are allocated to the same Mission Area that the unit belongs to. In exceptional cases where a unit contributes to several Mission Areas, then most of its costs are still allocated to only one Mission Area. Only that portion of the resources allocated to cover costs that are deemed unnecessary by the principal Mission would then be allocated to the other Mission Area(s).

Resource assessment is both a military and civilian activity, although the military should have the lead in this.

When all options together with P- and S-codes have been costed out in terms of necessary resources, they will become the input for the most important step — Decision-making.

### **Step Five: Decision-making**

The Decision-making step is the most important step in programming, because during this phase judgments will be made as to which options will be implemented (i.e. which options will receive the necessary resources) and which will not. The only purpose of all preceding steps was to support Step Five with the best available information. In other words, the goal is to select for implementation the combination of options that will eliminate the largest number of the high-priority Capability Gaps to at least a satisfactory degree within the framework (constraints) of available resources.

The decision-making process can proceed by using different approaches. First, one approach would be selecting a highest S-code option for every P1 code Capability Gap until all available resources have been used up and then turn the attention to P2 and then to P3 Gaps. The problem for this method is that although some highest priority Capability Gaps will be addressed, the cost can be very high. As a result, a number of Capability Caps with average priority (not to mention P3 codes) could too easily remain without any resources. This approach can only be recommended if there are a few extremely important Gaps whose elimination at highest possible degree and at practically any cost is required.

For more likely situations, a better approach would be to make a reasonable compromise between the degree of suitability, cost and priority. Although it would be mathematically possible to include suitability and priority codes, the cost and their relative importance into a formula, and then calculate the best combination of options, this is not the way the decisions are usually made in real life. This approach would not also take away the need to make decisions about priorities, suitability and the relative importance of them, but only includes the need to translate these relations into a mathematical language and then make calculations.

Therefore, it is recommended that some common sense be used instead of formal calculations. Under this approach the first step would still be analyzing options, cost, priority and suitability, but the most suitable option would not be automatically selected even not for P1 coded gaps, but attention would also be paid to costs and the relative suitability of different options. The key difference here is attention to the relative importance of cost and suitability differences of options developed for the same Gap. For example let us consider a situation, where there are two options for eliminating a P1 Gap: option one requires 100 million EEK and 1000 men annually and provides excellent suitability (S1); option two provides average suitability (S2), but requires only 10million EEK annually and 400 men. In this case, the senior leadership needs to answer the following question: is the suitability difference (S1-S2), or relative suitability of these two options really worth extra 90 million EEK and 600 men annually? What is the risk associated with selecting S2 over S1? Is it a risk worth taking? Can the cost saving be effectively used to close other critical gaps, possibly improving the overall capability of the EDF. It does not automatically follow that option two should be selected because the additional suitability (S1-S2) of the option one is too expensive, but it draws attentions to this large cost difference<sup>8</sup>. By asking this kind of questions, better decisions would probably made than by using any of the factors (priority, suitability and cost) alone. Of course, options can

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<sup>8</sup> This approach is similar to the marginal analysis concept in the field of economics.

be selected only as long as they remain within the framework of available resources.

Finally, on the basis of decisions made, there may be the need to develop new options (no existing option was approved) or to adjust the existing ones (e.g. if an option is basically acceptable, but some elements are unacceptable). In this case, the programming process starts again for these options: they are developed, their suitability and affordability are assessed and the decision-making follows.

The decision-making phase is a joint responsibility of the Minister and CHOD. However, the Minister will ultimately make final decisions.

### **Step Six: Composition of MRP**

A key output of programming phase is the Military Requirements Plan (MRP), which serves as the base document for developing the EDF's Annual and longer-term budgets, as well as its annual action plans.

The MRP consists of:

- Major changes in EDF Force Structure (e.g., formation, re-subordination, re-formation, and disbanding of units, to include reserve units);
- Major personnel movements within the EDF (e.g., number of conscripts taken in for training and sent to reserve, etc.)
- Major constructions projects,
- Major procurement,
- Research and Development,
- Financial resources (grouped into Major Defence Programs).
- Special classified annex that addresses un-financed requirements and associated risks, thus providing for feedback mechanism.

The MRP serves as a basis for the NATO DPQ (PARP and ANP processes for the time being), as well as for annual defence budgets. The MRP is an integral part of annual planning and execution routine and covers years 2–6 of the medium-term planning cycle. Every year, the first year of approved MRP will serve as a foundation for next year's Annual Budget and Action Plan, with the time period covered by the new, revised, MRP sliding one year into the future. The MRP is reviewed by the CHOD and submitted to the Minister for approval.

It must be noted that the MRP must be composed on the basis of the results of the decision-making. In essence, the MRP is the list of approved options that passed the decision-making step and are translated into an appropriate format. Again: the MRP includes those and only those items, activities, plans, units that were part of the approved options, which guarantees that there are resources available for them within given timeframe. Ideas, units, procurement etc. that seem to be well thought out, but for which there are currently no resources can be included into the list of unapproved options that are developed during Step Two.

### **Step Seven: Developing master plans**

Through this step, all necessary details are developed based on broader guidelines provided through the MRP. Development of master plans can be combined with the development of the MRP and integrated as part of the MRP, when deemed suitable. The logic of separating the MRP and master plans of existing units comes from the notion that while the Minister approves the MRP, not every detail of programmed activities requires the Minister's approval.

The master plans will specify concrete actions for individual units to achieve the goals and plans that are outlined in MRP (i.e. this is not the place to add new functions that are not included into MRP). The development of a Mission Area Master Plan is the responsibility of the respective Lead Agents. They are also responsible for developing guidance to units and organizations allocated to their particular Mission Area on how to draft their plans.

The development of a unit's project plan is the responsibility of its Staff under the guidance provided by Mission Area lead agent. When completed, this project plan will be submitted to the next higher command (ultimately — to the Mission Area lead agent) for de-confliction and approval.

The master plans of individual units will not require the Minister's approval, although they may be submitted together with MRP or annual budget request to the Minister for information. Master plans are approved by CHOD.

Although programming is a recurring activity, it does not need major revision every year. Only in case of major changes in the JCMP



and the resulting Capability Gaps, will there be a need to compose a completely new MRP. However, smaller adjustments, e.g., changing priorities, developing new options, or shifting plans as a result of annual activity reports, may be made, as required. Adjustments may also become necessary when one more year is included annually to the MRP. All these aspects must then be addressed in the next annual MRP guidance and after going through programming steps, these aspects must then lead to the adjusted MRP.

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## **BUDGETING**

Budgeting is the third phase of the planning system. It builds on the decisions on priorities made in programming and further specifies and executes the activities and plans approved during programming phase. During the development of the annual budget, actual money will be allocated to the existing force structure elements for expenditure during the year.

Budgeting encompasses:

1. The development of prioritized, detailed, phased and sequenced annual action plans for each unit/structural element within the purview of the Ministry of Defence in order to create or maintain capabilities specified within the framework of MRP;
2. The detailed allocation of financial resources to each unit/structural element, sufficient to sustain these actions.

Budgeting begins with the issuance of the ministerial guidance for the next year's planning and budgeting cycle, and ends with the approval of the next year's budget by the Minister after Parliamentary approval.

The ministerial budget guidance is composed on the basis of MRP and specifies the development priorities for the next year. Although the guidance is based on the approved MRP, some adjustments may be necessary due to changes that have occurred in the international security environment since the programming was completed. Additionally, adjustments may be necessary to address unforeseen deficiencies that emerge from the reporting cycle. On the basis of the MRP and the above-mentioned other factors, the budget guidance then specifies the

priorities for each of the Major Defence Programs (mirror images of the MRP Mission Areas). It generally includes resource ceilings as represented in the format of the state budget classifications that are submitted at the level of detail deemed necessary by the MOD, and may additionally include resource ceilings for each of the Major Defence Programs. Finally, the guidance may include a section describing the current security situation and the general priorities that apply to all Major Defence Programs, and an assessment of the developments since the last annual report. The latter provides the basis for the guidance to follow.

The Annual Budget and Action Plan is developed to execute the MOD annual budget and planning guidance, and is structured along Major Defence Programs. It is developed on the basis of the first year of the approved MRP and follows the same format. In order to link the Action Plan with finances, Major Defence Programs in the format of state budget are used. A Major Defence Program (MDP) incorporates the same EDF units as its respective MRP Mission Area. The MDP includes the Mission Area's annual costs (now specified to the detail necessary to be composed in the budget) together with a description of the activities that will be accomplished in the individual units and in the Major Defence Program as a whole during the next budget cycle.

Provided that the programming phase has been completed with no delays and shortfalls, budgeting is rather a technical exercise during which the first year's project plan of the existing 5-year master plan is further specified for each structural element within the purview of the MOD and translated into the budget format required by the existing legislation.

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## **PRELIMINARY LESSONS LEARNED**

As seen from the foregoing description, the CCMR project has provided, in totality, a comprehensive and integrated defence reform structure. That said, its full implementation is a process that can only be effected over time. In effect, notwithstanding the formal implementation of these reforms, "institutionalization" is a longer-term process. As such, it is still too early to conclude definitively how long it will

take before the entire process has been fully institutionalized within the Estonian defence establishment. As some general observation concerning these types of technical assistance projects, the CCMR case provides some interesting insights:

1. A technical assistance project of this magnitude can be accomplished without establishing a permanent presence foreign experts in a recipient country, with a significant ensuing reduction in cost.
2. High-level support by senior defence leadership is needed to ensure that key personnel are made available to participate in workshops and will ensure that reforms are implemented.
3. Implementation of deliverables is not always self-evident on the part of the recipient country and will likely require close coordination to monitor progress and, if required, provide additional focused technical assistance.
4. It would be a mistake to replicate in other countries the specifics of this Estonian project. However, the employment of the principles and concepts outlined above are arguably constants and would be most useful in the reform of allied and friendly countries' defence planning and execution systems, organizations and procedures.
5. Perhaps the project's most valuable product has been to teach Estonian planning inter-agency coordination and consensus-building through team problem-solving.

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## **CONCLUSION:**

### **Benefits to the recipient country and the U.S.**

The benefits that accrue to a recipient country from technical assistance in the area defence planning and execution, as described above, are potentially considerable. A planning system and series of procedures that are based upon indigenous practices and realities, in addition to being developed in a consensus-building manner, is more likely to be maintained and improved upon over time, vice an imported system. Moreover, a responsive defence planning system will make civilian defence leadership aware of the clear costs / benefits implications of their decisions that must balance effectiveness and efficiency.

From the perspective of the United States, such a program manifests America's commitment to the host country, while contributing in a meaningful way, to its national security. U.S. interests are furthered within the context of the Bush Administration's Security Cooperation strategy by encouraging defence reform. Importantly, such a project can go a long ways in furthering openness with a country's own population, as well as its neighbors. Finally, through close cooperation between agencies of their departments of defence, such programs inform U.S. defence policy and decision-making, as well as strengthen bilateral defence cooperation.

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Mr Kask received his M.S. in international resource planning and management from the U.S. Naval Postgraduate School (Monterey, California) in 2001.

**JAAN MURUMETS**, Associate Professor, Estonian National Defence College.

Prior to taking this position in January 2002, Mr Murumets hold positions of Advisor to the Minister of Defence, Acting Head of Minister's Office, Director of Foreign Relations Office, and Deputy Director of Defence Policy and Planning Department of the Ministry of Defence of Estonia, since 1996.

Mr Murumets received his M.A. in international security and civil-military relations from the U.S. Naval Postgraduate School (Monterey, California) in 2000. Since 2002 he is also doctoral student of the University of Zurich (Switzerland).

**THOMAS-DURELL YOUNG**, European Program Manager, Center for Civil-Military Relations, Naval Postgraduate School, Monterey, CA.

Prior to taking this position in March 2000, Dr. Young was a Research Professor at the Strategic Studies Institute of the U.S. Army War College since 1992. From 1988 to 1992, he was a National Security Affairs Analyst at the Institute. Before joining the Strategic Studies Institute, he was a country risk analyst for BERI, S.A., a Swiss-based business risk-consulting firm, an international economist, a defense journalist and a congressional staff member.

From 1994 to 1995 he was the Chairman, Executive Committee, Central Region Chiefs of Army Staff working group that investigate the command authority requirements of multinational land force commanders. The findings of this working group are serving as the basis

for many of the procedures being developed for NATO's Combined Joint Task Force concept.

Dr Young received his Ph.D. and "DES" from the Institut Universitaire de Hautes Etudes Internationales, Université de Genève (Geneva, Switzerland), is a 1990 graduate of the U.S. Army War College (Carlisle Barracks, PA), and received a M.A. from the Johns Hopkins University School of Advanced International Studies (Bologna, Italy/Washington, DC).

He has published five monographs on U.S. alliance and joint planning issues, as well as over sixty articles on a variety of themes related to defense and international security. He is co-author of a book "NATO after 2000: The Future of the Euro-Atlantic Alliance," also co-editor of 'Small Wars and Insurgencies' and is on the editorial board of 'Defense Analysis.'