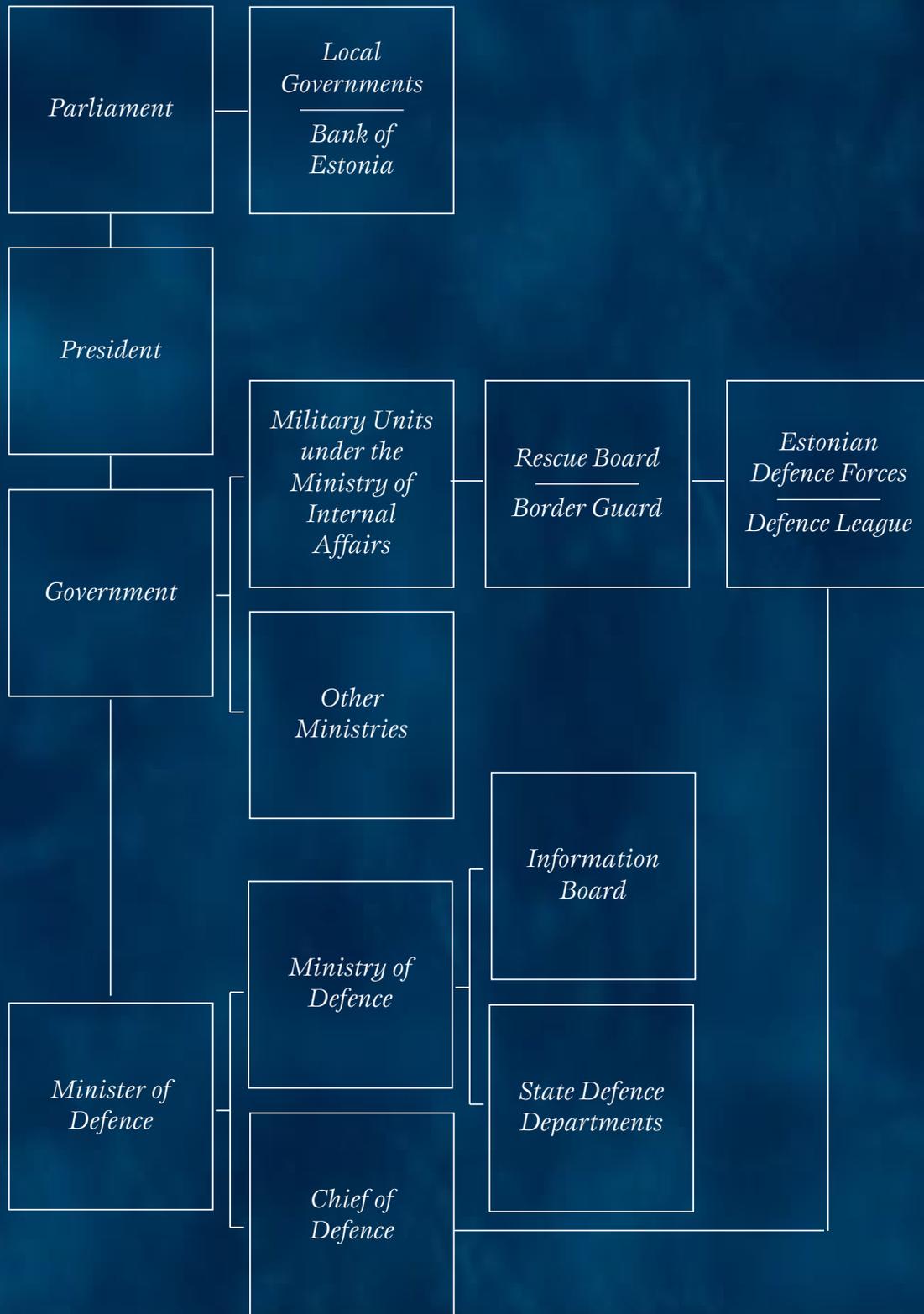




Estonian Defence Forces 2003-2006



National Defence Command Structure



On the Threshold of NATO

In November 2002 Estonia, together with six other nations has been invited to join the Alliance at the NATO Summit meeting in Prague. The invitation will radically increase the level of responsibility for the stability and security of Europe Estonia is shouldering. Being a member of the club means both rights and obligations. EDF is ready and willing to assume obligations of the membership. The Force Structure Review (FSR) conducted in 2001 resulted in a leaner and meaner structure of EDF. As EDF becomes integrated into Allied structures, our national defence will become a part of a collective defence organisation. Therefore and as recommended by NATO defence planners Estonia is going to undertake a new review of national force development plans in 2003. The aim of the review will be to make our contribution more beneficial for collective defence efforts by concentrating on capabilities and deployable forces for Alliance missions.

In 2002, main focus of our developments was on preparations for prospective NATO membership through the improvement of defence capabilities in general and interoperability with the Alliance in particular. The Army focused on the formation of a light infantry brigade (especially the preparations for establishing the Brigade Staff) and on the preparation of Estonian contingent for international deployments. Training of the first infantry battalion and some combat support sub-units of the brigade is in progress and will be finalised with a battalion level exercise in May 2003. The training of the sub-units for the Estonian Rapid Reaction Battalion (ESTBAT) continued and the establishment of the ESTBAT will be finalised by 2005.

The Navy focused on the further development of mine warfare capabilities. In addition, the establishment of the new sea surveillance system started and will be finalised by 2005. The Air Force concentrated on the development of air surveillance capabilities. The preparation of the radar sites for a 3D primary long-range air defence radar was finished and the radar will be operational in the first half of 2003.

On legal matters the progress has been good – the new Peacetime Defence Act and the amendments to the Military Service Act clar-



ifying mobilisation and reserve issues, the new International Military Obligations Act and the amendments to the State Secret Act covering INFOSEC have all been approved by the Parliament.

All these developments will improve our readiness to fulfil the tasks associated with NATO membership - first and foremost an ability to come to the help of a fellow ally, a solemn pledge written down in the North Atlantic Treaty. That is the reason why we have emphasized the need to improve our rapid reaction capabilities. Long-term vision for development of EDF's capabilities, stable defence spending and enhanced resource management ensure that Estonia will be ready to assume the responsibilities of a responsible ally.

*Tarmo Kõuts
Vice Admiral
Chief of Defence*

National Defence Development Priorities by the Defence Minister and the Chief Of Defence



ESTONIAN INTEGRATION INTO NATO – During the NATO integration negotiations led by the Ministry of Foreign Affairs, a set of integration principles, including Estonia's duties and tasks, will be agreed upon. During the negotiations, the Ministry of Defence and the Defence Forces will be responsible for military issues and information security issues, as well as for questions concerning national defence legislation. In the context of integration, the next Annual National Programme (ANP) will be developed, which will also include the so-called timetable of reforms, agreed on during the integration negotiations. Estonia's homework with regard to the NATO integration will have to continue.

DEVELOPMENT OF MILITARY CAPABILITIES FOR PARTICIPATING IN NATO-LED AND/OR EUROPEAN UNION-LED MILITARY OR CRISIS MANAGEMENT OPERATIONS – as a member of NATO and the EU, Estonia must be prepared to contribute to NATO-led military operations as well as EU-led Crisis Management Operations. For this purpose, EDF rapid reaction capabilities must be enhanced at all levels and the necessary operational structure must be developed.

Priority will be given to the manning, training and equipping of the Scouts Battalion. The structure of the infantry brigade must ensure the capability to

support and sustain the Battalion on missions. In the light of the formation of NATO's Response Force (NRF), Estonia's opportunities to participate in this process should be analysed and the existing military police, mine countermeasures and Explosive Ordnance Disposal (EOD) capabilities should be developed accordingly. Additionally, the development of new military capabilities regarded as important by the Alliance should be looked into. Developing of these military capabilities should take place, to the greatest extent possible, in co-operation with Latvia and Lithuania.

With regard to international co-operation, participation in the NATO-led operation KFOR in Kosovo will continue and deployment to the ISAF III operation in Afghanistan will take place.

INTEGRATING THE ESTONIAN DEFENCE PLANNING SYSTEM INTO NATO'S PLANNING STRUCTURE. NATO's operational planning, including the planning for the defence of NATO's territory is included in the general NATO planning process. This NATO process also creates a basis for the development of the means and military capabilities needed for the defence of Estonia's territory. In order to insure her proportional contribution and to make known Estonia's national interests, Estonia must participate in the NATO Defence Planning Process and harmonise her national policies accordingly. Estonia is aiming to obtain an integral understanding of NATO. Because this broader understanding is based on many different co-influential factors, participation in the planning process demands the knowledge of Allie's defence plans, as well as those of future members. During the planning process, Estonian defence planning experts will presumably once again have to specify the development goals of EDF.

LEGISLATION AND LEGAL REGULATION OF THE NATIONAL DEFENCE SYSTEM.

The International Military Co-operation Act was adopted in February 2003. Amendments to the State Secret Act and the Military Service Act will also be adopted shortly and thereafter promptly implemented. In the context of NATO integration, Estonia must, in addition to the Washington Treaty, join another 6 to

7 international treaties and develop national legal regulations for their implementation. Although the implementation can only take place after Estonia has become a full member of the Alliance, the necessary preparations have begun.

CONTINUED DEVELOPMENT OF THE AIR SURVEILLANCE NETWORK AND ITS INTEGRATION WITH NATO SYSTEMS. For this purpose, a 3D long-range air-defence radar TPS-117 and a medium-range primary radar will be set up and installed in 2003. With the aim of ensuring the interoperability of Estonian systems with those of the Alliance, technical compatibility of air surveillance and communications systems must be established.

IMPLEMENTATION OF THE HOST NATION SUPPORT CONCEPT. The HNS concept was established in 2002, determining the structures, means and procedures of HNS. When implemented, Estonian HNS must be able to guarantee sufficient support to NATO forces for carrying out military operations on Estonian territory. Once the HNS concept has been officially adopted, its implementation plan will be drawn up and implementation initiated. Creation of the corresponding database and preparation of the necessary infrastructure must begin. With regard to the latter, cooperation with NATO within the framework of the NATO Security Investment Programme (NSIP) must be intensified.

INFORMATION SECURITY AND STRATEGIC COMMUNICATION.

In 2003, more attention will be paid to the further development of surveillance and communications systems. The system for ensuring adequate security protection of classified information exchange between NATO and Estonia should be implemented. Prior to Estonia's full integration into the Alliance, Estonia must create preconditions for information exchange with NATO headquarters at the strategic and regional level. This task includes the preparation of infrastructure, procurement of the necessary equipment, training of personnel and implementation of the corresponding procedures.

PARTICIPATION IN THE PARTNERSHIP FOR PEACE PROGRAMME AND SHARING OF REFORM EXPERIENCE. Estonia views the NATO PfP programme as a security producing international programme which will retain its importance for Estonia even after becoming a full Alliance member. In addition to the already existing co-operation formats, Estonia should focus on sharing with other states the experience acquired within the PfP framework e.g. in the course of building up her defence forces and establishing civil control over



national defence, as well as in the overall NATO integration process.

CONCLUDING THE REFORM OF THE ESTONIAN DEFENCE FORCES HIGHEST COMMAND AND CONTROL LEVEL.

The statutes and structure of the strategic-level headquarters - the General Staff, service staffs and the Joint Operational Command - must be adopted. When establishing the final tables of organization, Estonia will follow the principle that by the year 2005, 90 % of the staff positions should be filled.

PERSONNEL RECRUITMENT AND PREPARATION FOR NATO-INTEGRATION.

As member of the Alliance, Estonia will participate in the NATO decision making and planning process and take an active part in the organisation's everyday activities. For this purpose, Estonian officers and civil servants will be assigned to work in NATO international structures and staffs. At the same time, national structures and positions in the Estonian Mission to the NATO Headquarters as well as at home must be staffed with competent personnel. During 2003, at least 40-50 officers and civil servants must be selected and trained to be prepared to fulfil the above mentioned tasks.

Estonia undertook a comprehensive review of its future force requirements and their affordability in 2001, resulting in a smaller planned force structure with enhanced rapid reaction elements, but retaining the ability to generate large land forces for the defence of national territory. It also identified the requirement for improved capabilities for deploying forces beyond its borders, increased mine countermeasures capabilities and upgraded air surveillance and HNS capabilities.

Estonian National Defence Policy

Estonia's defence policy aims to guarantee the preservation of the independence and sovereignty of the state, the integrity of its land area, territorial waters and airspace and its constitutional order. Its main goals remain the development and maintenance of a credible capability to defend the nation's vital interests and the development of the EDF in a way that ensures their interoperability with the armed forces of NATO and EU member states and their capability to participate in the full range of Alliance missions.

The Main Tasks of EDF

In peacetime

- to monitor and maintain control over airspace
- to maintain combat readiness
- to train conscripts and develop reserve units
- to participate in NATO and UN-led international missions
- to provide assistance to civilian authorities in case of national emergency

In crises:

- to increase readiness levels of units as required
- to prepare for transition to wartime structure and to begin partial or total mobilisation as ordered
- to integrate units from the other ministries
- to prepare for assistance from and reception of friendly forces (i.e. preparing to render HNS)

In wartime:

- to defend the territorial integrity of the state
- to facilitate the arrival and deployment of forces from other countries, co-operate with them, including maintaining control over sea lines of communication and defending approaches to designated harbours and airfields
- to maintain control over national airspace and facilitate the air defence of strategic assets in co-operation with forces from other countries.





The Structure and Size of EDF

EDF will be divided into 2 distinct parts: an operational structure and a training and administrative structure. The operational structure will be described in detail in the following chapter. The training and administrative structure provides the necessary training and support for the operational structure.

The training and administrative structure consists of the training centres, educational and support establishments. The operational structure consists of the JOC, operational units of all three services and of the combat service support structure. The EDF operational structure will provide a readiness system that is responsive to any changing conditions in Estonia's security environ-

ment and will achieve full combat potential upon mobilisation of reserves. The share of the active duty personnel and of the "hot reserve" will increase in the operational structure, as the number of higher readiness operational units increases. The implementation of the new force structure will improve Estonia's capability to deploy forces abroad.

The operational structure of EDF will have a total strength of up to 23 500 (officers and enlisted with wartime specific assignments). In addition, there will be a pool of 20,000 to 30,000 non-committed personnel who have completed conscript service and are available for call-up and retraining if necessary.



Medium Term Plans

- to ensure that ESTBAT is fully operational by the end of 2005

- to develop the infantry brigade by the end of 2006

- to support development of territorial battalions and territorial command structure

- to continue to contribute to the BALTBAT project according to the Baltic Battalion

Status and Future Development Plan

- to adapt army training and administrative structure according to the requirements of the new operational structure

Plans For 2003

- to prepare the second infantry company and designated combat support and logistic sub-units to ESTBAT

- to continue the brigade staff training

- to conduct field exercise for the battalion tactical group and the brigade staff component (first infantry battalion and some combat support sub-units of the brigade)

- to participate in BALTBAT according to the Baltic Battalion Status and Future Development Plan

- to continue to contribute to peace support operations

The Army

Army priorities focus on rapid reaction capability, mobile defence capability, HNS and territorial defence structure for support.

The Army is composed of the Army Staff, training centres and a number of operational units (active and reserve). The training centres include four infantry training centres, one combat support-training centre (engineer, artillery and air defence) and the Peace Operations Centre (POC). The signal battalion is under the command of the Army; it trains signal sub-units for the wartime structure and supports the HQ EDF. The operational units of the Army currently include the ESTBAT company and sub-units (including the Estonian contribution to BALTBAT), and the contingencies that participate in international missions. The Army reserve units currently consist of four reserve infantry battalions on six months readiness, and a number of reserve combat support and combat service support units.

By 2007, the land component of the Armed Forces operational structure will consist of an infantry brigade and a territorial defence structure. The brigade will be operational by 2006 and can be mobilised within 90 days. One of the infantry battalions of the brigade will be capable of deployment outside of Estonian territory at 30 days notice after 2005. Another infantry battalion at higher readiness level (30 days) will be designated for internal missions only.

The main focus of the Army training organisation is conscript training up to battalion level and refresher training for reserves. All units in the brigade will have a professional cadre in peacetime, which should considerably enhance their readiness and effectiveness. These units will follow a four-year cycle. In the first year, conscripts are assigned to a specific infantry battalion or combat support company for training and ending with a unit-level exercise. Thereafter, as reservists, they remain assigned to those units for three further years, during which they would participate in one two-week period of refresher training at the unit level conducted at the end of the second year after conscript service. At the beginning of the fifth year, these reservists would be allocated to the territorial defence structure or to the non-committed manpower pool. Using this scheme, the first infantry battalion of the brigade will be trained and ready by the end of May 2003.

The Navy

The top priority is the development of mine warfare (MW) capability, which includes mine countermeasures (MCM) and mine laying (ML) capabilities. The objective of the MCM activities is to clear Estonian territorial waters of explosives, to guarantee the safety of navigation and to keep the sea lines of communication open in times of peace, crisis and war.

The Navy is composed of the Navy Staff (Navy HQ), the Naval Base, and the Mine Warfare Squadron (MWS). The Naval Base and the MWS belong to the operational structure of the Armed Forces. MWS consists of eight vessels with MCM, ML and auxiliary capabilities. MCM vessels include mine hunters and mine sweepers. A diving unit consisting of ship divers and mine clearance divers is also attached to the MWS. The naval manpower is based primarily on regulars. The designated assets of the maritime component of the Estonian Border Guard will become part of the Armed Forces as directed by the Government.

ENS ADMIRAL PITKA is able to act as a command platform for MCM operations and provide logistic support for Mine Countermeasures Vessels (MCMV-s). One Frauenlob-class minesweeper and one Lindau-class mine hunter are available for NATO-led PfP operations. Another Lindau-class mine hunter, manned with an all-professional crew, will be available for NATO-led PfP operations by mid-2003. The crews have been trained in accordance with NATO requirements. The ships will be at the readiness level outlined by Partnership Goals (PGs). The development of MCM capability is closely related to the BALTRON project. Participation in BALTRON provides the Navy with the opportunity to conduct squadron-level training. Clearance diver training will be carried out at the Baltic States' Diving Training Centre.

Decision on the location of the Naval Base has been made. The Naval Base will remain in Miinisadam. Funds for renovation of Naval Base infrastructure have been allocated starting from 2004.



Medium Term Plans

- to maintain the readiness of three ships for participation in NATO-led PfP operations, both independently or as part of BALTRON
- to continue the development of mine countermeasures capability, including the creation of mine database
- to develop mine laying capability

Plans For 2003

- to maintain 3 ships and a group of clearance divers at constant readiness for participation in NATO-led PfP operations
- to participate in BALTRON with a command and support ship and MCM vessels
- to continue the development of mine database
- to develop education and training programmes for the Naval School



The Air Force

Medium Term Plans

- to establish an air surveillance capability
- to establish an air defence command and control capability
- to develop an Air Force Base to support HNS and other Air Force activities
- to establish an Air Force communication and information system, that is interoperable with relevant NATO Integrated Air Defence System NATINAEDS
- to prepare a rotary wing component of the Air Force

Plans For 2003

- to participate in BALTNET project according to the BALTNET Development Plan
- To continue the development of national air surveillance system through the installation of the 2D medium range primary air surveillance radar ASR-8 in Air Force Base and with achieving the full operational capability of the TPS-117 3D long-range radar;
- to continue pilot training of the rotary wing aircrew
- to continue the development of the Ämari Air Force Base

The air force is responsible for air surveillance and Host Nation Support (HNS). The Estonian Air Force consists of the Air Force Staff, an air surveillance battalion, an air base (primarily for host nation support requirements), and a small flying element that provides limited, non-combat support to the land forces. The air force structure remains largely unchanged during peace, crisis and war. The manpower is based primarily on regulars, however, a guard and engineer sub-units for the air base will be provided by the Territorial Defence Structure.

The main priority for the near future is the development of air surveillance within the framework of the joint Baltic system BALTNET. The Air Sovereignty Operation Centre (ASOC) at the Ämari airfield achieved an initial operational capability early last year and as now operates on a 24-hour basis. The procurement process of 3D long-range primary air defence radar has been finalised and the radar will be operational in the first half of 2003.

As part of the HNS system the air base at Ämari will be developed according to the dual (civil-military) use concept. Further development is supported by the study "The Reuse of Ämari Air Force Base Estonia: A Feasibility Analysis" by the U.S. Institute for Defence Analysis. Development of Ämari as a minimum facility airbase will continue. Consequently, it is planned to upgrade the existing logistic and air traffic management capabilities of the air base. In 2003, a 2D primary air surveillance radar ASR-8 will be installed at Ämari Air Force Base. Initially, Tallinn International Airport could be used for a limited extent for possible HNS operations.

The Territorial Defence Structure

The territorial defence structure will be developed to conduct local and static point defence, rear area operations, mobilisation, participate in HNS, and coordinate the provision of combat service support (from military units, contracted civilian services, and requisitioned civilian assets).

The structure will consist of two regions and two special districts with their joint headquarters, and a variety of units to be established by 2006. These are planned to include five large battalion-size territorial defence units, an infantry battalion (for military operations on urban terrain, MOUT), five large reconnaissance companies (provided by BG), and combat service support units.

The Commander of the Army is responsible for the operational readiness of these units. An evaluation process to assess and validate army, DL and BG training has yet to be established. In addition, it is envisaged to have several company-size and platoon-size local territorial defence sub-units and a number of mobilization teams primarily based on DL. The Commander of DL is responsible to the Operational Commander for the operational readiness of these units.

Medium Term Plans

- to establish territorial defence structure by 2006

- to develop the mobilization management structures to support EDF mobilisation

- to build-up a new sea surveillance system by the end of 2005

Plans For 2003

- to conduct 3 territorial defence exercises in Defence League (DL)

- to exercise mobilisation management structures for regular and territorial forces

- to conduct refresher training for one reserve company in Border Guard (BG)





The Command and Control

Medium Term Plans

The following changes in the EDF command and control structure will be implemented as a result of FSR:

- CHOD in peacetime or CINC in wartime is the military strategic authority and exercises Full/National Command over EDF with the assistance of the GS

- the respective commanders of the services provide necessary single service advice for the CHOD and are responsible for preparing their service to carry out its missions

- the COMJOC is responsible for operational decision-making, planning and direction to support objectives given by CHOD

Plans For 2003

- to finalise the functional reorganisation of the HQ EDF

- to enhance the JOCC operational capability to the required level for taking over command, control and co-ordination of the Estonian forces for international missions

- to implement the HQ EDF procedures

- to develop the formation level command and control structure

The Chief of Defence (CHOD), Commander-in-Chief, (CINC) in wartime, is the military strategic authority and exercises full command over the EDF in times of peace, crisis and war. He is also the principal military adviser to the Minister of Defence (MoD) and the Government. In order to fulfil his responsibilities, he is assisted by a joint General Staff (GS) led by a Chief of Staff.

The Joint Headquarters of the EDF (HQ EDF), where the GS of the EDF, the JOC and single service staffs are co-located, were established. This co-location enables them to function in a co-ordinated manner and has established division between military strategic level and operational level in different parts of the HQ EDF. Also, the Commander of Joint Operations Command (COMJOC) was appointed and the establishment of the Joint Operations Command Centre (JOCC) as the nucleus of the JOC was initiated.

The commanders of the three services and the Commander of the DL advise the CHOD on service-related matters and in preparing their services to carry out their missions. The commanders of the services retain small staffs that concentrate on force training and development. The Commander of the DL ensures that units provided for the territorial defence structure from the DL are able to carry out their missions. In addition, he has responsibilities for the non-military functions of the DL and will retain a separate staff.

The COMJOC is the principal adviser to the CHOD on joint operational matters. In addition, he exercises operational command through a joint operations centre over all assigned units, particularly in times of war, allowing the CHOD to concentrate on strategic issues and advising the government. The JOC will be developed as a small planning staff including a JOCC. In peacetime the JOCC is the executive body for exercising command and control over forces in joint operations on Estonian territory and over Estonian forces deployed abroad to international missions. The JOCC can be augmented drawing officers from relevant service staffs to account for the volume and character of operations. Four regional headquarters will be established that will provide the command and control capability for the territorial defence structure.

Logistics and Host Nation Support

A logistics support system will be created, based on NATO standards, to provide combat service support to both, peace and wartime structure of the EDF. It will comprise two elements: a military element with central, regional, and service specific units, and another based on the civilian sector, including contracted services and requisitioning. Established in 2001, the Armed Forces Logistics Centre will assume full responsibility for logistics support to all three services, including deployed units. It is also responsible for managing the central logistic stock levels across the EDF and will establish a logistics-training centre by 2003. It is intended to supplement the Logistics Centre with two transport battalions, some medical facilities, a movement control company, a military police unit and a variety of supply and maintenance depots or installations.

Logistics support will also be provided through the territorial defence structure, and plans foresee the establishment of a composite logistics battalion (which includes a medical company), a personnel support company, and some supply and maintenance depots/installations for each region. All units of the planned brigade and the six infantry battalions in the territorial structure are intended to be logistically self-sufficient with their organic assets. In addition, a mobile logistics battalion is foreseen to provide second line support to the brigade units. HNS is defined as constituting civil and military assistance rendered in peace, crisis, or war by Estonia to friendly forces and organisations, which are located on, operating on/from, or in transit through Estonian territory. HNS support is intended to provide a means for the provision of external assistance to the EDF operational concept.

To facilitate the transit and deployment of friendly nations' forces within Estonia, the provisions of appropriate international agreements will be implemented in order to allow for their flexible and rapid application.

Medium Term Plans

- to develop the EDF logistic support system according to the logistic doctrine by the end of 2007
- to develop organic logistic support capabilities for all tactical units
- to develop and to implement a centralised HNS management system
- to develop a centralised HNS database, including all respective infrastructure and other commodities, by the end of 2004

Plans For 2003

- to further develop the Armed Forces Logistics Centre
- to further develop the EDF logistic support system for participation in PSO/CRO
- to introduce the new material management system CONCORDE
- to host NATO/PfP logistic exercise Co-operative Support 2002
- to develop and implement a concept for providing HNS support in Estonia
- to commence the development of a centralised HNS database



Medium Term Plans

- to implement new readiness and mobilisation system

- to review the existing mobilization management structure

Plans For 2003

- to finalise the Armed Forces mobilisation plan

- to implement the Government decree on mobilization management

- to make the mobilisation registry of personnel and equipment operational

- prepare personnel for conducting the mobilisation

- to finalise Baltic Personnel Management System (BALTPERS) project

Readiness and Mobilisation

The EDF will be divided into three readiness categories. Very high readiness forces will comprise designated duty personnel within the air surveillance battalion and the BG, some elements of ESTBAT and mobilization teams. High readiness forces will include the remainder of ESTBAT, an additional infantry battalion, ships designated for use by NATO, Ämari airbase, and designated territorial defence units. All remaining EDF units will be categorized as medium readiness units. In addition, individuals and sub-units at training establishments at varying stages of readiness dependent upon their particular phase of training.

A mobilisation system will be developed that provides for partial or selective mobilisation of reserves under conditions of tension and crisis, and full mobilisation in the event of war. The EDF will achieve their full combat potential upon mobilisation of reserves and will operate a readiness system that responds to any changing conditions in Estonia's security environment.

To allow the rapid use of ESTBAT for both national and international commitments, reservists with special contracts (the hot reserve system) would be called up having to initiate formal mobilisation. The other high readiness infantry battalion will also rely on a readiness reserve system enabling it to maintain its availability.

MoD is the principal mobilisation manager for the Total Defence Structure, with the execution of the mobilisation plan being a task of the Territorial Defence Structure. The mobilisation system provides for partial or selective mobilisation under conditions of tension and crisis, and full mobilisation in the event of war. A Government decree has been prepared that allocates tasks and responsibilities for preparing and conducting mobilisation (mobilisation management). In addition, legislative amendments have been drafted.





Participation in Peace Operations and Contribution to NATO and EU

Participation in international Peace Operations (PSOs)/Crisis Response Operations (CROs) is a high priority. Estonia participates in the NATO-led Kosovo Force (KFOR) and Stabilisation Force (SFOR) operations as well as in the UN Truce Supervision Operation (UNTSO). Until July 2002, Estonia also participated in OSCE Border Monitoring Observation Mission (BMOM). In 2002, 166 military personnel will have participated in PSOs.

Participation for 2002/2003 will remain at the same level. However, in line with the developments in the Balkans, Estonia is going to re-deploy its contingent from SFOR and will regroup together with Denmark, Latvia and Lithuania for deployment to KFOR. The sub-unit will follow the same Baltic Squadron (BALTSQN) rotation system used in SFOR. The first BALTSQN rotation to KFOR is planned for February 2003, it will be an Estonian company.

Significant steps were taken to reduce the reliance on Lead Nations to provide training and equipment to the Estonian units participating in PSOs. The pre-mission training for the unit currently deployed to SFOR was conducted entirely in Estonia. Only the final mission-oriented training took place in Denmark. The pre mission and mission-oriented training for units deployed to KFOR/Multinational Support Unit (MSU) is carried out entirely in Estonia.

Estonia has declared a number of forces available for PfP operations and made a preliminary contribution to the NATO operational structure and establishment of the European Rapid Reaction Forces. This package of forces includes: a light infantry battalion (ESTBAT), a military police group, and Explosive Ordnance Disposal (EOD) group, two mine countermeasures vessels and a mine countermeasures support ship.

Medium Term Plans

- to be prepared to participate annually in international PSOs with up to one infantry company, one special platoon, 2-3 military observers, a staff element consisting of 4-6

persons and up to 2 ships

- to ensure that ESTBAT will be capable of PSOs and other international missions

Plans For 2003

- to be prepared to participate in international PSO/CROs with: up to one infantry company, specialised sub-units (Military Police, EOD Team, 2-3 military observers, a staff element consisting of 4-6 persons and up to 2 ships)

- to participate in KFOR/MSU with a military police unit, and in KFOR HQ

- to participate in UNTSO mission

- to continue to develop a mine clearing capability for NATO/PfP operations in order to be ready to participate in PSOs with EOD Team



Medium Term Plans

- to procure all required weaponry and equipment for the infantry brigade (including ESTBAT)
- to procure air and sea surveillance equipment
- to procure naval mine warfare equipment

Plans For 2003

- to start with complete modernisation of sea surveillance radar system
- to start the tender of short range air-defence weapon systems
- to procure modern anti-tank weapon systems
- to procure howitzers for the artillery battalion of the brigade
- to modernise the weaponry and equipment of ESTBAT
- to modernise infantry simulators systems

Equipment and Materiel

In 2002 a comprehensive programme for procurement of major equipment started, which is combined with scheduled donations. Equipment for the Armed Forces will be procured in three phases. The materials for the wartime structure Table of Equipment (TOE) will be purchased by 2007 as envisaged in the FSR 2001. The ammunition and other consumable items will be procured starting from 2008. Because of their age, most of the donated equipment will be replaced by 2010. Scheduled donations and procurement of equipment will support the development of the major elements of the force structure by the end of 2006.

Major procurement programmes include, inter alia, anti-tank guided weapons (2002-2003), short-range air defence systems (2004-2006), Nuclear, Biological and Chemical Weapons (NBC) protection equipment (2002-2003), and night vision equipment (2005-2006).

The procurement of sea surveillance radar system has started as planned. The donation of a 2D primary air surveillance radar ASR-8 from Norway will be finalised in early 2003. In the framework of the Minimum Facility Airbase programme, maintenance equipment for the Air Force Base and transportation equipment were procured in co-operation with Denmark. The US provided four light helicopters Robinson R-44 for the Air Force.

Allocation Of The Budgetary Resources In 2003

According to a political decision, the 2002 defence expenditures were increased to 2% of Gross Domestic Product (GDP) in the 2002 state budget. The same principle was also applied for planning the 2003 budget approved by the Riigikogu at the end of 2002. The Ministry of Finance increased the 2002 GDP growth forecast in June 2002 and two supplementary state budgets were approved with no additional funds for defence. Because of this, the share of defence expenditures of GDP is expected to decrease slightly by the end of 2002.

The following tables and charts give an overview of the allocation of defence expenditures. The term "defence expenditures" stands for the sum of the MoD budget, the tuition loans' reimbursements for the MoD sphere of administration and the defence related expenditures of the Ministry of Internal Affairs (MoI). According to the FSR 2001, the Rescue Board will no longer develop its military capabilities. Therefore, the budget of the Rescue Board is no longer included in the MoI defence related expenditures as was the case in previous years.

The figures have been updated on the basis of the Estonian update of PARP Survey 2002 financial tables (Annex B) as of February 2003. The information has been grouped according to NATO definition of defence expenditures and as a result these numbers are not directly comparable to numbers presented in the ANP.

Defence expenditures, GDP and the share of defence expenditures of GDP in 2002-2006 (estimated)

	2002	2003	2004	2005	2006
GDP, million EEK	105 800,7	116 193,5	123 165,6	130 555,6	138 388,9
GDP, million EUR	6 761,9	7 426,1	7 871,7	8 344,0	8 844,6
GDP real growth, %	4,30	5,50	6,00	6,00	6,00
Defence expenditures, % of GDP	1,92	2,04	2,00	2,00	2,00
Budget of defence expenditures, million EEK	2 027,8	2 375,9	2 463,3	2 611,1	2 767,8
Budget of defence expenditures, million EUR	129,6	151,8	157,4	166,9	176,9
Budget of MoD, % of GDP	1,92	2,04	1,80	1,80	1,80
Budget of MoD, million EEK	1 626,4	2 051,8	2 217,0	2 350,0	2 491,0
Budget of MoD, million EUR	103,9	131,1	141,7	150,2	159,2
MoI defence related expenditures, % of GDP	0,38	0,28	0,20	0,20	0,20
MoI defence related expenditures, million EEK	401,5	324,1	246,3	261,1	276,8
MoI defence related expenditures, million EUR	25,7	20,7	15,7	16,7	17,7

Note 1: 2003 price level from 2003 onwards

Note 2: The Ministry of Finance changed the GDP growth forecast in June 2002. No changes were made to defence expenditures and their share is expected to decrease from 2% to 1.92% of GDP

According to the FSR 2001, the share of construction costs has increased since 2001, but will start to decrease in 2003. By 2005, most of the C4I, logistics and the Army training infrastructure will be upgraded. Some major procurement projects will be initiated for the infantry brigade in 2003. This will increase the overall procurement share of the MoD budget. The increase in Operation and Maintenance (O&M) costs reflects an increase in the Estonia's contribution to international operations and qualitative improvements introduced to Army training. Planned increase of both military and civilian personnel in Estonian Mission to NATO and at NATO staffs also contribute to increases in personnel and O&M costs in 2003.

Defence Expenditures for 2002 and 2003 (estimated, EEK)

	2002	2002	2003	2003
	million	%	million	%
MoD expenditures	1 626,40	80,2%	2 051,80	86,4%
Personnel costs	575,90	28,4%	628,90	26,5%
O&M	561,90	27,7%	746,00	31,4%
Procurement	149,90	7,4%	317,10	13,3%
Construction	333,30	16,4%	351,60	14,8%
R&D	5,40	0,3%	8,20	0,3%
MoI defence related expenditures	401,50	19,8%	324,10	13,6%
TOTAL	2 027,90	100,0%	2 375,90	100,0%

Note: The figures have been updated on the basis of the Estonian update of PARP Survey 2002 financial tables (Annex B) as of February 2003. The information has been grouped according to NATO definition of defence expenditures and as a result these numbers are not directly comparable to numbers presented in the ANP.

Defence Expenditures for 2002 and 2003 (estimated, €)

	2002	2002	2003	2003
	million	%	million	%
MoD expenditures	103,95	80,2%	131,13	86,4%
Personnel costs	36,81	28,4%	40,19	26,5%
O&M	35,91	27,7%	47,68	31,4%
Procurement	9,58	7,4%	20,27	13,3%
Construction	21,30	16,4%	22,47	14,8%
R&D	0,35	0,3%	0,52	0,3%
MoI defence related expenditures	25,66	19,8%	20,71	13,6%
TOTAL	129,61	100,0%	151,85	100,0%

Note: The figures have been updated on the basis of the Estonian update of PARP Survey 2002 financial tables (Annex B) as of February 2003

The Ministry of Defence budget for 2003

A budget proposal for 2003 was prepared based on the FSR 2001 Implementation Plan 2003-2008 and amounts to 2 375,9 million EEK (€ 151,9 million). MoD share of total defence expenditure is 1,77% and 2 051,8 million EEK (€ 131,1 million). Following is the more detailed description of the defence expenditures under the MoD (the MoD budget).

Procurement

Procurement costs will have a substantial increase in 2003. The total planned expenditure for procurement in 2003 is 317,1 million EEK (€ 20,27 million). Approximately 75% of the procurement is allocated to the Army (including ESTBAT). Major projects include:

- Missile systems: 57,4 million EEK (€ 3,67 million)
- Missiles (conventional weapons): 54,8 million EEK (€ 3,50 million)
- Artillery: 57,0 million EEK (€ 3,64 million EEK)
- Combat vehicles: 45,5 million EEK (€ 2,91 million EEK)
- Engineering equipment: 9,5 million EEK (€ 0,61 million EEK)
- Electronic and communications equipment: 84,8 million EEK (€ 5,42 million)

Main international assistance programmes include:

- Acquisition of armament and equipment for a light infantry battalion and mobilisation stocks in co-operation with Sweden
- Procurement of communication equipment (radios) in co-operation with the US
- Procurement of maintenance equipment for the Air Force Base in co-operation with Denmark

Construction

The overall figure for construction will remain approximately at the 2002 level but will decrease slightly as a percentage of the defence budget. The total planned expenditure for infrastructure in 2003 is 351,6 million EEK (€ 22,47 million). The most important projects include:

- Infantry training centres: 110,0 million EEK (€ 7,06 million)
- Tapa Training Centre and the Central Range Complex: 85,5 million EEK (€ 5,46 million)
- Logistics support infrastructure: 29 million EEK (€ 1,85 million)
- Command and control infrastructure: 22,5 million EEK (€ 1,44 million)

Other projects include the Air Force Base and procurement of real estate for apartments for professional military personnel.

O&M and personnel costs

The total expenditures for O&M and personnel in 2003 will be 1374,9 million EEK (€ 87,87 million). The share of O&M costs will increase in 2003 mainly because of the increase of Estonia's contribution to international missions and some changes introduced to Army training. The growth of the share of personnel costs reflects the increase in Estonia's contribution to international operations, higher salaries and other allowances to ESTBAT personnel, and the need to appoint more people to positions outside the country.

Abbreviations

ANP – *Annual National Plan*
ASOC – *Air Sovereignty Operations Centre*
BALTBAT – *Baltic Battalion*
BALTDEFCOL – *Baltic Defence College*
BALTNET – *Baltic Air Sovereignty Network*
BALTRON – *Baltic Naval Squadron*
CSBM – *Confidence and Security Building Measures*
CHOD – *Chief of Defence*
CINC – *Commander-in-Chief*
EDF – *Estonian Defence Forces*
ESTBAT – *Estonian Rapid Reaction Battalion*
ESNET – *Estonian Air-surveillance System*
EOD – *Explosive Ordnance Disposal*
ESDP – *European Security and Defence Policy*
FSR – *Review of the Force Structure*
GSEDF – *General Staff of the Estonian Defence Forces*
HNS – *Host Nation Support*
HQ – *Headquarters*
JOC – *Joint Operations Centre*
KFOR – *Kosovo Force*
KVÜÕA – *Military Educational Establishment*
MAP – *Membership Action Plan* –
MCM – *Mine countermeasures*
MOD – *Ministry of Defence*
MOUT – *military operations on urban terrain*
MSU – *Multinational Support Unit*
NATO – *North Atlantic Treaty Organisation*
NBC – *Nuclear, Biological and Chemical Weapons*
NSC – *National Security Concept*
PfP – *Partnership for Peace*
PGs – *Partnership Goals*
PSO – *Peace Support Operation*
SFOR – *Stabilisation Force*
UNTSSO – *United Nations Truce Supervision Organisation*

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