DEFENCE FORCES REFORM
CONCEPT

Press Conference at the Government Palace
8 February 2012
Commander of the Finnish Defence Forces
Defence Forces Reform - Preparation

Autumn 2010
Identifying the need for change

Spring 2011
Preliminary surveys

Autumn 2011
Basic idea
- Objectives selection of measures

Winter 2012
Concept
- What will be done

Spring 2012
Details
- Implementation
- Implementation is realised

Summer - Autumn 2012

Example: Brigade-level unit structure

Too large, must be reduced

Possibilities for reform, criteria

Army, navy, air force needs

Structural foundation

Details
- Savings objectives
- To be relinquished
- To be merged

Preparations implementation
- Personnel planning
- Organisation of functions

Supporting personnel

Defence Forces Reform - Preparation

7 February 2012
Defence Forces Reform - Reasons and Objective

The need for reform is caused by:
• Smaller age groups
• Defence materiel becoming obsolete and more expensive
• Other rises in costs
• There is not enough money to maintain a Defence Forces of the current size.

The objective is:
1. Ensuring Finland's military defence capability
2. Lasting cost savings
   • Real-estate expenditure
   • Personnel costs
   • Materiel procurement
3. Bringing the size and activities of the Defence Forces into balance with funding

Requirements
• The statutory tasks of the Defence Forces remain
• The entire country is defended
• General conscription
• Military non-alliance

• Simultaneous significant decrease in funding 2012-2015
Resources - Development Outlook without the Reform
- the defence capacity and defence of the entire country will be endangered

**EFFECTS**

- Level of investment will collapse
- Level of activities will decrease
- Real-estate repair debt and growing costs of premises
- Continuous growth of personnel costs
### Decrease in Funding 2012-2015

<table>
<thead>
<tr>
<th>Amounts according to price level of 2012</th>
<th>2012 € m</th>
<th>2013 € m</th>
<th>2014 € m</th>
<th>2015 € m</th>
<th>TOTAL € m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUDGET CUTS</strong> (reference point 2011 appropriation framework)</td>
<td>45.8</td>
<td>120.7</td>
<td>174.4</td>
<td>234.4</td>
<td>575.3</td>
</tr>
<tr>
<td><strong>EXPENDITURE AND COST PRESSURES</strong></td>
<td>30</td>
<td>30</td>
<td>45</td>
<td>45</td>
<td>150</td>
</tr>
<tr>
<td><strong>COSTS OF THE REFORM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>825.3</td>
</tr>
</tbody>
</table>

#### Expenditure structure imbalance

#### Expenditure structure balance

**INEVITABLE MEASURES**
- the level of activities has to be lowered
- materiel procurement has to be decreased

**LASTING SAVINGS**
- by reforming structures
- by decreasing materiel procurement
DEFENCE FORCES’ SIZE AND ACTIVITIES IN BALANCE WITH FUNDING

COST EFFICIENCY, THE SAME IS ACHIEVED WITH LESS (tasks do not change)

DEVELOPED NETWORKING

REDUCE SIZE OF DEFENCE FORCES

DECREASE LEVELS OF ORGANISATION

REORGANISE FUNCTIONS

DOWNSIZE AND REALLOCATE PERSONNEL

REORGANISE PRODUCTION OF SERVICES

UTILISE KNOWHOW OF THE REST OF SOCIETY EXTENSIVELY

STRENGTHEN VOLUNTARY NATIONAL DEFENCE

STRENGTHEN INTERNATIONAL COOPERATION

DEFENCE FORCES’ VIABILITY AND REALISATION OF TASKS IN THE FUTURE

NO OVERLAPPING WORK AT DIFFERENT ORGANISATIONAL LEVELS, MORE EVEN WORK DISTRIBUTION

REFORMED AND FLEXIBLE OPERATIONAL MODELS, INCREASED PRODUCTIVITY

FUNCTIONAL PREREQUISITES OF COMPANY-LEVEL UNITS, CONSCRIPTS’ HIGH QUALITY TRAINING

ALL PARTIES BENEFIT, WIN-WIN

CONNECTION WITH CITIZENS, WILL TO DEFEND

BENEFITS OF INTERNATIONAL COOPERATION INCL. COST EFFICIENCY

The Defence Forces Reform - Grounds and Objective

CREDIBLE DEFENCE CAPABILITY IN PROPORTION WITH SECURITY ENVIRONMENT

Finnish Defence Forces

7 February 2012
The Defence Forces 2015 - Basis for Continued Planning

Defence Forces Intelligence Agency
Defence Forces C4 Agency
Defence Forces Research Institute
Defence Forces Logistics Establishment
Defence Forces' Service Centre

Army
Command Headquarters
Brigade-level/equiv units

Navy
Brigade-level/equiv units

Air Force
Brigade-level/equiv units

To be closed down, real-estate and areas will be relinquished
Reorganisation as part of an entity comprising the entire Defence Forces/equiv.

7 February 2012
Grounds for Evaluation of the Brigade-level/ equiv. Unit Structure

Units providing conscript training

Main criteria

1) Wartime force generation need and operational grounds
2) Importance as a wartime base
3) Condition of the premises
4) Other infrastructure and surroundings
5) Overall effectiveness

Other evaluation criteria

6) Development possibilities
7) Training for several branches of service
8) Possibility for moving the training

Basis for the new structure

16 Brigade-level/ equiv. units
- especially the readiness formations

Need to downsize

6 Brigade-level/ equiv. units
(3,000 training positions by the beginning of 2015)
Disbanding and Merging of Brigade-level/ equivalent Units

To be closed down at the end of 2013

1. North Karelia Brigade
2. Kotka Coastal Artillery Battalion (battalion-level unit)
3. Air Force Aircraft and Weapon Systems Training Wing

To be closed down at the end of 2014

4. Engineer Regiment
5. Hämé Regiment
6. Training Air Wing

To be merged at the end of 2014 -activities will continue as part of a larger brigade-level unit

7. The Lapland Air Defence Regiment will merge with the Jaeger Brigade
8. The Reserve Officer School will merge with the Army Academy
9. The Signal Regiment will merge with the Armoured Brigade
10. The Artillery Brigade will merge with the Pori Brigade
The Army 2015 - Basis for Continued Planning

Army
ARMY COMMAND FINLAND
8 BRIGADE-LEVEL/ EQUIV. UNITS
12 REGIONAL OFFICES
4 MILITARY BANDS

Army Command, Mikkeli
Guard Jaeger Regiment, Helsinki
- Regional Office, Helsinki
Pori Brigade, Säkylä-Niinisalo
- Regional Office, Vaasa
- Regional Office, Turku
Armoured Brigade, Hattula-Riihimäki
- Regional Office, Tampere
- Regional Office, Jyväskylä
- Regional Office, Lahti

Utti Jaeger Regiment, Kouvola (Utti)
Army Academy, Lappeenranta
Lapland Military Band, Rovaniemi
Army Band, Lappeenranta
Guards Band, Helsinki
Conscript Band of the Defence Forces, Hattula

Karelia Brigade, Kouvola (Vekaranjärvi)
- Regional Office, Kouvola
- Regional Office, Mikkeli
Kainuu Brigade, Kajaani
- Regional Office, Oulu
- Regional Office, Kuopio
- Regional Office, Joensuu
Jaeger Brigade, Sodankylä Rovaniemi
- Regional Office, Rovaniemi
Navy and Air Force 2015 - Basis for Continued Planning

**Air Force**
AIR FORCE COMMAND
4 BRI GADE-LEVEL/ EQUI V. UNITS
MILITARY BAND
- Air Force Command, Jyväskylä (Tikkakoski)
- Fighter Brigade-level unit, Rovaniemi
- Fighter Brigade-level unit, Siilinjärvi (Rissala)
- Transportation and Research Brigade-level unit, Pirkkala
- Air Force Academy, Jyväskylä (Tikkakoski)
- Air Force Band, Jyväskylä (Tikkakoski)

**Navy**
NAVY COMMAND FI NLAND
4 BRI GADE-LEVEL/ EQUI V. UNITS
MILITARY BAND
- Navy Command, Turku
- Naval Brigade-level unit, Turku (Pansio)
- Coastal Brigade-level unit, Upinniemi
- Uusimaa Brigade, Raasepori
- Naval Academy, Helsinki (Suomenlinna)
- Navy Band, Turku
Lasting Savings Brought by the Reform

The level of Defence Forces materiel investments will be lowered from the planned annual level by approximately €130-150m. The development of performance will remain at a low level.

<table>
<thead>
<tr>
<th>Structural measures</th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brigade-level/equiv. units, establishments and bases will be shut down and combined</td>
<td>60-65</td>
</tr>
<tr>
<td>Logistics will be reorganised. Functions will be organised to form an entity that covers the entire Defence Forces and overlapping capabilities will be removed</td>
<td>25-30</td>
</tr>
<tr>
<td>Support services will be reorganised</td>
<td>10-15</td>
</tr>
<tr>
<td>The command structure will be made lower</td>
<td>20-25</td>
</tr>
</tbody>
</table>

**Effect at an annual level**

| Effect at an annual level | 115-135 |

The overall effect of the measures will control the decrease in the level of funding and the cost pressure, in total approximately €270m in 2015.
Ensuring General Conscription

Call-ups
- Development of IT service systems
- Development of modes of operation
- More individualised treatment

Conscript Training
- Shortened by 15 days
- Increase in simulator training
- All homeward journeys free of charge

On average 2,5 instructors in all training troops
- Improves the quality of training
- Ensures in-service safety
- Enables more individualised training

Reservist Training
- Development of IT service systems
- Improvement of quality of refresher exercises
- Better use of know-how and volunteers
The Finnish Defence Forces 2015

<table>
<thead>
<tr>
<th>2011</th>
<th>DEFENCE FORCES</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ca. €2,450m</td>
<td>Annual appropriations</td>
<td>ca. €2,200m</td>
</tr>
<tr>
<td>350,000</td>
<td>Wartime strength</td>
<td>ca. 230,000</td>
</tr>
<tr>
<td>ca. 15,000*</td>
<td>Peacetime personnel</td>
<td>ca. 12,300</td>
</tr>
<tr>
<td>27,000/ y</td>
<td>Age group to be trained</td>
<td>25,000/ y</td>
</tr>
<tr>
<td>25,000/ y</td>
<td>Trained reservists</td>
<td>18,000/ y</td>
</tr>
<tr>
<td>4</td>
<td>Number of command levels</td>
<td>3</td>
</tr>
<tr>
<td>51, of which</td>
<td>Number of administrative units</td>
<td>ca. 26, of which</td>
</tr>
<tr>
<td>25</td>
<td>Brigade-level/ equiv. units to be trained</td>
<td>16</td>
</tr>
</tbody>
</table>

* 1 Jan. 2012 ca. 14,500

- Maintenance of defence capability ensured
- Level of activities restored
- Conscript training ensured
- Activities, costs and funding in balance
- Corresponds with a decreasing wartime strength
- Lasting structural solution
- Effective entities
- Even work distribution
Schedule of the Defence Forces Reform

Political steering
- FEBRUARY 2012

Defence Minister's administrative decisions
- JUNE 2012

Legislation

PLANNING PRELIMINARY SURVEYS

CONTINUED PLANNING PHASE

IMPLEMENTATION PHASE
- STRUCTURAL REFORM PHASE I
  - 3 brigade-level/ equiv. units to be disbanded
  - organisation of military music branch, intelligence and research activities

- STRUCTURAL REFORM PHASE II
  - new command and administration structure
  - 3 brigade-level/ equiv. units disbanded and 8 combined
  - logistics and support functions reorganised

SUPPORTING THE PERSONNEL THROUGHOUT THE REFORM

THE DEFENCE FORCES 2015
COMMANDER´S VISION

Capable of fulfilling their duty
Close to all citizens
Use the State's resources economically
A good employer also in the future