Strategic Defence Review
Final Report
2007
Unclassified
The safety and security of the Georgian nation is the highest mission of the government. In order to ensure the security of the nation and at the same time further its integration into the Euro-Atlantic community, we have elaborated and gradually implemented a serious new approach to reviewing, assessing and developing the Georgian Armed Forces.

Based on a Presidential decree, a “Strategic Defence Review” (SDR) working group was created in 2004, with the goal of conducting a comprehensive analysis and review of the Georgian Armed Forces and of making recommendations for the long-term development of the nation’s military force structure.

In order to assess Georgian Armed Forces combat capabilities, to set up a conceptual background and to create plans for military requirements and structural modifications, an intensive and extensive review was conducted. As a result, “The Interim Report on Strategic Defence Review” was published in May 2006 and the “SDR Final Document” was completed in June 2007 and approved by the Parliament and President in November 2007.

The “SDR Final Document” is the first document in Georgian history that thoroughly addresses the current status of the Georgian Armed Forces. It defines the requirements for military capabilities, identifies major capability shortfalls and identifies the means to eliminate the shortfalls. Based on key military and political assumptions, the SDR recommends future Georgian Armed Force structure modifications for the short- (2007-2009), mid- (2010-2012) and long-term (2013-2015) periods.

Accordingly, essential conceptual documents such as the “National Military Strategy”, the annual “Minister’s Vision”, the national “Threat Assessment Document”, “Defence Policy Priorities” and other Ministry-level documents were developed based on the results of the Strategic Defence Review. These documents form the conceptual basis for elaborating future national security policies.

Completion of the SDR process and approval of the final SDR document is a significant step forward in the development of the Georgian Armed Forces. SDR implementation will cause an intensified transformation and improvement of the national defence planning system. This will be an important factor in developing the country’s security policy as well as integrating into Euro-Atlantic community security standards.

During the SDR process, Ministry of Defence personnel gained important experience, that along with the institutionalization of modern mechanisms of defence planning and management will significantly improve consistent and transparent decision-making processes and effective implementation of elaborated plans predicated on requirements-based priorities.

The Strategic Defence Review is, however, a dynamic process, which though completed in its first iteration, will continue to be used to plan the development of future national security needs and structures. It represents an important foundation for successful implementation of transformation and reformation of the national defence system. While the reforms signified by the completion of the SDR support the improvement of the Georgian Armed Forces defensive capabilities, they also signify the movement toward the achievement of greater interoperability with NATO operational norms and a closer partnership with the NATO Alliance.

David Kezerashvili
Minister of Defence of Georgia
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CHAPTER I

1.1 Introduction

This document contains the results of the Strategic Defence Review and provides a comprehensive analysis of ways and means for adapting the capabilities of the Georgian Armed Forces (GAF) to meet future security needs. This report provides a detailed assessment of current GAF capabilities and identifies deficiencies that need to be addressed in future defense planning in order to meet national and international requirements. Completion of the SDR process accomplishes another important milestone in institutionalizing the Defense Planning System.

1.1.1 Purpose of the SDR Final Report

Georgia began its Strategic Defense Review (SDR) based on IPAP consultations in November, 2004. Subsequently in 2005, the Ministry of Defense (MOD) developed an SDR concept consisting of three phases:

- Phase I – an internal inventory of equipment, facilities and personnel in ascertaining existing force capabilities,
- Phase II – development of key strategic guidance documents and supporting materials, and

An interim SDR report was prepared in May, 2006, that addressed Phases I and II accomplishments. Based on extensive consultation with NATO, completion of Phase III was deferred until a more conclusive force structure assessment and affordability analysis could be completed.

This report addresses the results associated with the completion of Phase III, but extends the horizon for force planning to 2015. It is recognized that NATO would prefer a 10 – 15 year force planning horizon, however for this initial SDR process, military planning was constrained to an eight year horizon based on the dynamic nature of the security challenges now facing Georgia.

The SDR process provides a comprehensive analysis of the Georgian Armed Forces (GAF) for the near (2007 – 2009), mid (2010 – 2012), and long (2013 – 2015) term. It was developed using a capabilities-based process and is fully supported by a detailed affordability analysis. Completion of the SDR process represents an important step in further improving our internal defense management, and has highlighted the importance of fully integrating force management, resource planning, force modernization and readiness reporting.

We acknowledge that the content of this report represents the MOD’s first attempt to systematically develop and institutionalize a capabilities-based, force structure review process. Our internal procedures will improve in subsequent iterations, as routine force structure reviews are now scheduled on a quadrennial basis in accordance with the Law on Defense Planning.

Finally, completion of this report constitutes an important step in further enhancing Euro-Atlantic integration. Using a capabilities-based approach is consistent with NATO defense planning practices, and improves Georgia’s ability to adapt its force structure to meet the changing nature of national, regional and global threats.

1.1.2 Interim 2006 SDR Report

An interagency working group, created on the basis of a Presidential decree, developed a phased SDR concept. The phases were defined by actions, but no specific milestones or suspense was specified for completion of the work. The principle objectives and accomplishments for Phases I and II included the following activities:

- **Phase I - Assessment of Existing Capabilities:**
  - Inventory of armament and equipment, including analysis of their condition.
  - Inventory of GAF infrastructure, identifying the most important facilities, those requiring renovation, and those to be transferred to the Ministry of Economic Development.
  - The database developed included inventory information that was included as a part of the resource management system used to develop a life-cycle costing model and included cost accounting for operations, maintenance and training.
  - A personnel registration database was developed and provided the information needed to issue standard MOD identification cards to all civilian and military personnel.
  - Assessment of current combat capabilities of GAF.

- **Phase II – Development of Conceptual Documents:**
  - Development and publication of the Law on Defence Planning.
1.1.3 Objectives of the SDR Final Report

Based on the Interim Report, the purpose of Phase III was to accomplish the following objectives:

**Phase III – Development of Force Structure Options:**
- Develop near, mid, and long-term force structures.
- Costing analysis of the force structures, with affordability and sustainability analysis.
- Development of transition plans from existing structure to desired one, to include a timeline with costing and activities to be implemented.
- Development of timelines for implementation of Planning, Programming and Budgeting System (PPBS) for Georgia.
- Intensify dialogue with NATO Headquarters and partner nations regarding force structure.
- Presentation of officially approved force structures to NATO.

This document addresses these objectives and provides the basis for consultation with NATO prior to finalizing the SDR. Completion of this project reaffirms Georgia’s commitment to continuing defense reform and further enhancing its NATO interoperability. Additionally, it provides the MOD leadership with a capabilities-based force that best meets Georgia’s national security objectives.

1.2 SDR Methodology

The methodology outlined below describes the step by step process used in developing a capabilities-based Georgian Armed Forces (GAF). Required changes will be programmed in the near (2007 – 2009), mid (2010 – 2012) and long (2013 – 2015) term force based on constrained resources. It should be noted that this capabilities-based approach will also be incorporated into the overall resource management process to better optimize the allocation of limited defense resources. The specific steps are covered in subsequent chapters as follows:

- **Chapter 2:** Step 1: Review of national strategic security documents specified by the Law on Defense Planning – strategic guidance and internal MOD documents.
- **Chapter 3:** Step 2: Development of key political and military assumptions and military requirements to guide the development of force capability requirements.
- **Chapter 4:** Step 3: Development of broad military...
missions and tasks based on strategic guidance documents and both political and military assumptions.

- **Chapter 5:**
  - **Step 4:** Development of a risk and threats matrix based on the national Threat Assessment Document.
  - **Step 5:** Development of strategic Planning Scenarios based on the national Threat Assessment Document that define the worst case and most probable case for the use of military forces.
  - **Step 6:** Identification of missions and tasks necessary to accomplish the Planning Scenario requirements.
  - **Step 7:** Determination of whether the existing force has the capabilities necessary to accomplish the missions and tasks.
  - **Step 8:** Analysis of the identified capability shortfalls or deficiencies.

- **Chapter 6:**
  - **Step 9:** Development and trade-off analysis of force structures to address capability deficiencies to develop the optimal, affordable force structure.

The concluding chapters of the report address the development of implementation plans and final conclusions. These are of importance since many issues identified in the SDR process will require additional analysis before proper recommendations can be developed.

In summary, the primary objective of the SDR Final Report is to provide the senior MOD leadership with a capabilities-based force that optimizes the force in meeting current and projected threats within realistic affordability constraints. The force option for the near, mid, and long-term period was developed to meet national requirements but also provide capabilities that can continue to contribute to NATO-led operations and the global war on terrorism. The SDR force composition includes a mix of active and reserve personnel and identifies future modernization priorities to further enhance its capabilities. The SDR analysis also included a thorough review of the roles and missions for all headquarters and structures that provide general support to the force - administrative, logistic and institutional training and education – to ensure a proper “support to supported” balance was achieved.
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CHAPTER II

2.1 Law on Defense Planning

The Law on Defence Planning was approved by the Georgian Parliament in April 2006. This law sets a framework for planning activities, establishes requirements and assigns responsibilities for defence planning in Georgia. This planning is essential to ensure the Georgian Armed Forces sustain a high level of readiness and represent a credible deterrence to potential enemies in order to protect its citizens, sovereign territory, and fulfill its international commitments. Defence planning includes force structure, the allocation of financial and human resources, logistics support/sustainment, acquisition of new armaments, reliable command and control, and the execution of crisis and consequence management actions.

The Ministry of Defense has the interagency lead in the development and coordination of all strategic documents identified in the Law on Defense Planning. Specifically, the law identifies the following set of strategic and internal MOD documents as the essential components of the planning system:

- Strategic National Planning Documents
  - National Security Concept
  - Threat Assessment Document
  - National Military Strategy
- MOD Planning Documents
  - Minister’s Vision
  - Military Development Programs
  - Annual Programs
  - Operational Plans, Concepts, Doctrines and Instructions.

2.2 Strategic National Planning Documents

2.1.2 National Security Concept (NSC)

Georgia’s first NSC was approved in 2005 by the Georgian Parliament and President. This document outlines the nation’s fundamental national values, national interests, threats, risks, and challenges. The NSC also provides the major directions for national security policy as well as its foreign, social, and economic policy priorities.

NSC outlines challenges and threats to the country’s national security, such as violations of its territorial integrity, renewal of hostilities in the separatist regions, smuggling and terrorism; corruption and ineffective governance, economic and social challenges, dependence on a single source of energy supply, absence of an effective information policy, and ecological problems. This section underscores the vulnerability resulting from Russia’s control of Georgia’s energy resources.

This document describes major directions for the nation’s national security policy; aimed at the protection of fundamental national values and threat reduction. These directions include: strengthening democratic and government institutions, strengthening defence capabilities, restoring territorial integrity, enhancing Euro-Atlantic integration, and strengthening foreign relations. Additional directions include protecting cultural heritage and enhancing security policies in the economic, social, information, energy, and ecological sectors.

The NSC charges the MOD with creating an armed forces with specific defence capabilities: compatibility with NATO standards; capable of providing assistance to the civilian authorities; and capable of participating in anti-terrorism efforts and international peace support operations.

The NSC also outlines Georgia’s foreign policy priorities with respect to individual countries. It provides for a strategic partnership with the United States, Ukraine, Turkey and Azerbaijan, a partnership with Russia, and partnership cooperation with Armenia.

The Parliament of Georgia adopted amendments to the National Security Concept in September, 2006, where the fundamental principle of territorial defence was modified to one of “total and unconditional defence”. In accordance with these amendments, the MOD has been directed to develop an efficient reserve and mobilization system to implement this new concept.

2.1.3 Threat Assessment Document (TAD)

The national TAD is reviewed annually in accordance with the Law on Defense Planning. As noted previously, the MOD has the interagency lead on this annual process. This document assesses the potential impact from various external and internal threats; as well the probability that these threats will actually occur. This highly sensitive document addresses a wide range of threats to Georgia’s national security – political, economic, military and informational. Naturally, the SDR considered essentially only threats to which military forces could respond.
The recently completed update to the TAD provides the following conclusions that were used as a basis for development of the near, mid and long-term SDR force structure for the GAF:

- In general, the probability of direct large scale military aggression against Georgia for the foreseeable future is relatively low; however, the potential consequences from direct aggression, should it occur, are severe.

- The major, most likely internal threat to Georgian security relates to the potential threats associated with the separatist regions of Abkhazia and the so-called South Ossetia.

- Potential threats/risks associated with the separatist regions include the continued instability associated with external support to separatist leaders, uncontrolled borders, and general lawlessness that promotes the operational freedom of transnational criminal elements dealing with illegal trafficking in arms, humans, and controlled substances.

- Additional threats also exist from unsettled conflicts in neighboring states.

- International terrorism is also considered to constitute a threat to national security, particularly in view of Georgia’s proximity to terrorist havens in neighboring regions. As an active participant in the international anti-terrorist coalition, Georgia may become a target of international terrorist attacks. These may be directed against strategic targets such as economic infrastructure (international oil and gas pipelines), critical state facilities or population centers to incite fear and instability.

2.1.4 National Military Strategy (NMS)

Georgia’s first NMS was signed by the President of Georgia in November 2005. It provides guidance to enhance combat capabilities for self-defence in meeting current threats, and improving the defence management system. Its main theme is the necessity for Georgia to attain long-term security through deterrence gained by collective defence, specifically membership in NATO. The need for collective defence is underscored by Georgia’s inability to put significant resources against a variety of internal and external threats, some originating from significantly more powerful sources.

The Georgian NMS supports and implements the NSC; identifies military goals, objectives and requirements; defines activities and provides operational planning guidance to the GAF; and provides guidance for the development of military structure and capabilities through 2010. The NMS prescribes the general principles for the defence of Georgia as follows:

- Protection from direct aggression,
- NATO integration and international cooperation,
- Ability to precisely assess the strategic environment,
- Provide stability in the Caucasus region, and
- Contribute to the international security environment.

The NMS discusses the four main National Military Objectives of defence, readiness, deterrence, and international military cooperation. It also identifies and discusses, in general terms, the military capabilities that are required to be maintained by the GAF:

- Flexibility,
- Capability to conduct joint operations,
- NATO interoperability,
- Ability to conduct deliberate and crisis action planning,
- Provide support to civil authorities, and
- Capability to develop required information and intelligence to support military operations.

Finally, the NMS describes the:

- Need for Georgia to contribute to the international security environment,
- Benefits gained from participation in coalition operations,
- Need to develop Special Forces, Intelligence and Military Police capabilities,
- Requirement for the GAF to conduct joint planning and operations, and
- Need to support civilian authorities during emergencies.

2.3 MOD Planning Documents

2.3.1 Minister’s Vision (MV) 2007

The Minister’s Vision guides the development of all defense planning. It provides an annual set of goals and objectives to ensure unity of effort within the MOD. These goals and objectives are fully consistent with the National Security Concept and National Military Strategy and provide a common vision for security planning. It is developed with a clear focus on the internal and external threats facing Georgia and articulates the continuing effort to continue to move towards enhanced NATO integration and the collective security assurances that it provides for the nation.

The MV 2007 expresses the general intent to continue the institutionalization of the reforms necessary to build a credible defense capability; “such credibility results from developing a GAF composed of units that are capable, mobile, sustainable and highly adaptive to a wide range of possible security challenges”. The following three goals and supporting objectives are specified in MV 2007:
• Goal 1: Facilitate the NATO integration process.
  o Create a NATO interoperable PPBS-type system,
  o Improve NATO interoperability through joint exercises and training,
  o Improve air defence and surveillance systems (including Air Situational Data Exchange),
  o Enhance logistics interoperability with NATO and further development of Host Nation Support capability, and
  o Meet Initial Discussion Paper and Partnership Goal commitments.

• Goal 2: Improve the defence management system.
  o Effectively implement PPBS,
  o Complete the Strategic Defense Review,
  o Develop a Human Resource and Personnel Management System,
  o Develop the Armed Forces’ command and control system,
  o Improve reserve training and mobilization system,
  o Develop a Professional Military Education and Training System, and
  o Improve the public information system.

• Goal 3: Enhance the combat capability of the GAF.
  o Improve the military command and control systems,
  o Develop Georgian naval capabilities to assure maritime sovereignty,
  o Develop Georgian Air Force capability to assure control of sovereign air space, and
  o Improve counter-terrorism capability.

2.2.2 Military Development Programs

As detailed in the Law on Defence Planning, MOD is required to publish a series of ministerial level documents that address internal policies and procedures to execute defense planning. The implementation of PPBS complements the process of improving defence planning by introducing and institutionalizing a disciplined resource management process. PPBS encompasses the full range of resource allocation – planning, programming and budgeting. The key document that links these three phases together is the annual Defense Planning Guidance (DPG). This document will address a four year period beginning with the upcoming budget year. It defines MOD priorities for resource allocation, directs assessment of capability deficiencies and provides continuity for resource planning. The first DPG will be published in June and represent another important step in integrating defense planning and resource allocation.

2.2.3 Annual Programs

These programs are developed based on the defense budget approved by the Minister and submitted to the Ministry of Finance. Based on the approved defense budget, the MOD Program Coordinators are required to develop a plan to allocate their individual program over the upcoming budget year. These plans describe specifically how the major program resources will be allocated against the competing requirements within each individual program. During actual budget execution, each program is periodically reviewed in accordance with budget control procedures to ensure that funds are being properly allocated against the priorities for which they were specified.

2.3.4 Operational Plans, Concepts, Doctrines and Instructions.

These documents represent internal, institutional means to direct, manage and coordinate military activities. These processes provide consistency and continuity to routine military operations.
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This chapter identifies the key political and military assumptions necessary to determine Georgia’s military requirements and to plan the GAF Objective Force for the period 2007-2015. These assumptions are made with the understanding that political decisions (and assumptions) are not always consistent with the preferred military option.

3.1 Political Assumptions:

Near-Term - 2007-2009

- Georgia will face energy supply limitations.
- Georgia will continue to promote friendly and cooperative relations with its neighboring states.
- The Caucasus region will remain unstable in terms of unresolved “frozen conflicts”.
- The tensions in the north Caucasus area as well as between neighboring states in the region are the main threats to regional stability.
- Resolution of the conflict regions issues and the peaceful reintegration of both areas will remain one of the most significant priorities for Georgia.
- Georgia will keep its development towards Euro-Atlantic integration, with the firm objective of gaining closer relationship particularly with NATO upgraded to MAP level.
- Georgia will continue to seek internationalization of peacekeeping forces and revised format for the conflict resolution process to create a bi-lateral negotiating framework regarding each separatist region.
- Georgia will continue to seek normalized relationship with Russia.
- The partner nations will continue to be strong political supporters of Georgia’s territorial integrity and ongoing democratization process.

Mid-Term - 2010-2012

- Georgia will achieve energy sufficiency through diversification of energy sources.
- The separatist leadership of Abkhazia and so-called South Ossetia will engage in direct negotiations with Georgia to seek solutions of the ‘frozen conflicts’.
- Georgia’s intensified relations with NATO and close cooperation with EU organizations will encourage Foreign Direct Investments in Georgia.
- Georgia’s economy will continue to grow significantly.
- Georgia will continue to promote friendly and cooperative relations with its neighboring states.
- Regional tensions are expected to be reduced due to intensified cooperation with Euro-Atlantic institutions.
- Resolution of the conflict zone issues and the peaceful reintegration of both areas will move towards final resolution.
- Terrorism will remain a potential threat that could increase and materialize.
- Georgia’s integration process into Euro Atlantic institutions will be enhanced.
- Russia will become a more cooperative and rational partner.
- Intensification of Georgia’s relationship with NATO will support the integration of ethnic minorities into Georgian society.
- Partner nations and Euro-Atlantic organizations will provide increased political support to Georgia.

Long-term - 2013-2015

- Energy supply will remain an important issue of Georgian foreign policy.
- The political direction and orientation of Georgian democratization will benefit through increased integration into the Euro-Atlantic community.
- The frozen conflicts will be resolved by integration of the separatist regions into the Georgian state.
- Georgia’s economy will continue to grow significantly.
- Regional tensions are expected to be reduced due to intensified cooperation with Euro-Atlantic Institutions and emergence of more pragmatic and rational Russia.
- Terrorism will remain a potential threat that could increase and materialize.
- Partner nations will continue to strongly support Georgia’s democratization process.
- Georgia will continue to pursue closer integration in the European Union.

3.2 Military Assumptions:

Near-Term - 2007-2009

- Large scale military aggression against Georgia is unlikely, but the probability of incursions by small-sized armed
groups will remain a continuing threat.

- Russia will honor its current agreement and withdraw military forces from Georgia by 2008; however their “peacekeeping forces” will likely remain in the separatist regions.
- Until their final withdrawal, the presence of Russian forces and bases within Georgia will continue to present a risk to Georgian interests.
- Partner Nations will maintain or increase the current level of military support and assistance.
- The threat from international terrorism will require continued international coalition operations outside of Georgia, and the nation will continue to provide an appropriate share of military forces to support these international efforts.
- The requirement to deploy forces during this period in support of international peacekeeping operations will remain at least at the current level.
- The Georgian Defense Budget will not be less than 2.3% of GDP.
- Partner Nations will continue to provide training assistance to the Georgian Armed Forces.
- The GAF will continue to modernize its equipment and improve training standards to become more interoperable with NATO forces and constitute a more credible deterrent to potential aggressors.

**Mid-Term - 2010-2012**

- Large scale military aggression against Georgia remains very low, but the probability of incursions by small-sized armed groups will remain a continuing threat.
- Military support and assistance provided by partner nations will continue.
- The threat from international terrorism will require continued international coalition operations outside of Georgia, and the nation will continue to provide an appropriate share of military forces to support these international efforts.
- Georgia will be capable to deploy up to two company size units independently.
- The structure of the GAF will be appropriate to meet sovereign security needs within the NATO collective defense arrangement.
- The Georgian Defense Budget will not be less than 2.3% of GDP.
- Georgian defense measures will continue toward integration into NATO operational norms.
- Georgia will continue to modernize its forces to make them fully NATO compatible and interoperable.

**Long-term - 2013-2015**

- The probability of large scale military aggression against Georgia remains very low, but the threat of incursions by small-sized armed groups will remain a continuing threat.
- Strong military cooperation with partner nations will continue.
- The threat from international terrorism will require continued international coalition operations outside of Georgia, and the nation will continue to provide an appropriate share of military forces to support these international efforts.
- Georgia will be capable to deploy up to one battalion size unit independently.
- The structure of the GAF will be appropriate to meet sovereign security needs within the NATO collective defense arrangement.
- The Georgian Defense Budget will not be less than 2.3% of GDP.
- Georgian defense measures will continue toward integration into NATO operational norms.
- Georgia will continue to modernize its forces to make them fully NATO compatible and interoperable.

### 3.3 Defence Priorities/Requirements

From the National Threat Assessment and review of current geo-political events, the following military requirements were developed:

- Visible and ready forces with appropriate combat power to give the Georgian people a sense of security.
- Mobile and ready forces with appropriate combat power to deter acts of aggression or territorial violations (small force incursions, etc.) and to effectively respond to these if they should occur.
- Effective reserve forces acting according to the principle of “total and unconditional defence”.
- Forces capable of stopping any spillover of instability from the separatist regions as well as from North Caucasus. This requires enhanced capabilities to conduct operations in mountain terrain.
- Deployable forces capable of participating in international and counter terrorism operations.
- Forces to provide security to key infrastructure and ports against subversive actions.
- Capabilities to provide airspace sovereignty.
- Forces to provide emergency assistance to civil authorities in the event of natural or technological disasters.
Chapter IV

Development of broad military missions and tasks based on strategic guidance documents and the political and military assumptions

4.1 Georgian Armed Forces Missions and Tasks

Georgian Armed Forces’ (GAF) missions are based on the Georgian Constitution and International Agreements. Missions and functions of the GAF are defined by the Law on Defense and National Military Strategy and include such objectives as protection of the nation’s independence and territorial integrity, promotion and protection of vital national interests of Georgia, support to the civil authorities in case of emergencies as well as fulfillment of international commitments. The GAF performs these functions under the direction and authority of the Ministry of Defense. In order to fulfill its commitments, the GAF is required to accomplish the following general tasks:

- Maintain designated forces in a high state of readiness;
- Identify threats based on the current military-political situation;
- Develop the programmed GAF force structure;
- Improve and modernize existing capabilities;
- Accomplish military cooperation in accordance with international treaties and agreements;
- Contribute to global security operations
- Assist civil authorities in natural or technological disaster operations.
- Support civil authorities in counter terrorism operations.

The GAF consists of Land Forces, Air Forces, Naval Forces, Special Forces and National Guard. While performing its assigned missions, the GAF is also oriented to improve joint operation capabilities.

The Land Forces constitute the largest component of the GAF. The fundamental mission of the Georgian Land Forces is to defend the sovereignty and territorial integrity of the state. The Land Forces must be able to deal with potential threats, including those generated by the ongoing tensions in the separatist regions. The land defense of Georgia is provided by infantry brigades, artillery and other supporting capabilities organized at the battalion level. In addition to the general tasks addressed previously, the GAF also has a number of specified tasks:

- Engaging aggressor ground forces on their main avenues of approach;
- Supporting Border Police in border protection;
- Providing the staff nucleus of a Joint Task Force headquarters to plan, coordinate and execute joint operations.
- Supporting civil authorities in counter-terrorist operations; and
- Providing units for NATO-led and coalition operations abroad.

The Air Force consists of aviation and air defense assets and provides sovereignty and security of Georgia’s airspace. In addition to the general tasks addressed previously, the Air Force also has a number of specified tasks:

- Performing airspace control;
- Conducting air surveillance and connectivity;
- Conducting ground and air target suppression; and
- Providing support to other GAF services during joint operations;

The Georgian Navy is responsible for protecting and defending the maritime sovereignty of Georgia within Georgia’s territorial waters and economic zone as well as contributing to the collective maritime defense in the Black Sea region according to the international commitments. In addition to the general tasks addressed previously, specified Naval tasks include:

- Securing the sea lines of communications;
- Protecting Georgian waters, ports and coastline from attack and other violation or intrusion;
- Supporting the Coast Guard in state’s maritime borders protection; and
- Providing forces for the regional maritime collective defense.

The Special Force Brigade has the mission of conducting reconnaissance, unconventional warfare and counter terrorism operations in support of strategic or operational objectives. Its primary tasks include:

- Observing and collecting information concerning enemy capabilities, intentions, and activities in support of conventional operations;
- Conducting strategic reconnaissance and surveillance operations;
- Seizing, damaging, or destroying targets;
- Capturing or recovering personnel or material in support of conventional forces;
- Conducting guerrilla warfare in enemy-held, enemy-controlled or politically sensitive territory; and
- Preventing, deterring, and responding to terrorism.

The Georgian National Guard (NG) is responsible for the peacetime training and mobilization of reservists in times of crisis or war time. It has the following specified tasks:

- Organizing and conducting combat training for the Land Force reservists;
- Planning and executing the mobilization of reservists, to include establishing procedures for the call up and establishment of collection points;
- Providing the first response in providing military assistance to civilian authorities during disaster relief operations;
- Providing support for host nation support operations; and
- Providing rear area protection in the event of major military aggression.
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CHAPTER V

- **Step 4:** Development of a risk and threats matrix based on the national Threat Assessment Document.
- **Step 5:** Development of strategic Planning Scenarios based on the national Threat Assessment Document that defines the worst case and most probable case for the use of military forces.
- **Step 6:** Identification of missions and tasks necessary to accomplish the Planning Scenario requirements.
- **Step 7:** Determination of whether the existing force has the capabilities necessary to accomplish the missions and tasks.
- **Step 8:** Analysis of the identified capability shortfalls or deficiencies.

5.1 Introduction

Georgia’s decision to adopt a capabilities-based approach for defence planning is consistent with modern western practices. No longer can military planners conduct force structure assessments based upon a known threat. With the end of the Cold War, the nature of risks and threats to most nations has now become far less predictable. Georgia is no exception. While some existing threats to the nation are clearly defined, others relate to factors common to many other countries. Two of the most predominate factors include consequences due to the rise of extremist ideologies and the erosion of traditional sovereignty. Uncertainty is the defining characteristic of today’s strategic environment. The nature of threats is changing, including many that are asymmetrical. Increasingly, many threats are not military in nature. For example, access to energy resources has become an increasingly more common weapon used by some nations to mitigate negative international criticism.

As a consequence of these emerging realities, modern military strategic planning has adopted a capabilities-based approach to contend with the uncertainty of future threats and risks. The Georgian Armed Forces does not have the luxury of merely reacting to change. Rather, national interests must be safeguarded by anticipating the nature of future threats and developing a flexible set of capabilities to meet the growing challenges of diverse global threats. These capabilities must be developed in a manner that allows them to be utilized against multiple contingencies and new threats. Finally, adopting a capabilities-based approach to defense planning improves Georgia’s interoperability with its Euro-Atlantic partners.

5.2 Capabilities Analysis Methodology – Steps 4 - 8

5.2.1. Step 4: Develop Risk and Threat Matrix

The development of a risk and threat matrix resulted from a careful assessment of the political and military assump-

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tions and the classified national Threat Assessment Document. Each threat was then assessed in terms of likelihood, future trend, warning time, and impact on Georgia’s vital interests. This is important, since the resources available to the military budget are finite and a means must be found to identify those specific threats/risks which are more important to address during the force planning process. As the chart shows, five specific threats/risks were identified. Each presents its own set of unique military challenges.

In the assessment of these threats/risks, it is important to recognize that the Ministry of Internal Affairs (MOIA) is the lead government agency for responding to threats within the territorial sovereignty of Georgia. The MOD is in a support role to the MOIA until Presidential decree stipulates otherwise.

Based on these potential threats/risks, SDR planners determined that the best means to identify the optimal set of military capabilities necessary was to adopt the technique of focusing on two specific threats; the worst case scenario, and most probable case scenario. Both of these scenarios present specific missions and tasks that must be addressed during the force development process.

5.2.2 Step 5: Develop Planning Scenarios

The analysis of the threat category and risk assessment chart led to the conclusion that for the near- and mid-term, the worst case scenario for Georgia would result from a large scale military invasion. During the same period, the most likely threat scenario related to ongoing tensions in the separatist regions.

However, in the long-term, the political and military assumptions suggested that conflict spillover from the North Caucasus region would become the worst case scenario while international terrorism would represent the most likely case scenario. This assessment was based on key political assumptions concerning NATO (enhanced integration) and the evolving situation in the separatist regions (peaceful reintegration occurs during the mid and long-term period).

It should be noted that terrorism, within the context of the SDR process, was defined as military participation in international operations against such threats. Again, by law, in counter terrorism operations within Georgia’s sovereign territory, the MOD is in a supporting role to MOIA. The identification of these worst and most likely case scenarios defines

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### PLANNING SCENARIOS

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<tr>
<td><strong>Worst Case</strong></td>
<td>Large Scale Military Intervention</td>
<td>Large Scale Military Intervention</td>
<td>Conflict Spillover from North Caucasus</td>
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<tr>
<td><strong>Most Likely Case</strong></td>
<td>Conflict in Breakaway Region(s)</td>
<td>Conflict in Breakaway Region(s)</td>
<td>Terrorism</td>
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- Georgia has progressed from Intensified Dialogue to MAP
- Continued GDP growth; modest increase in inflation
- MOD Budget at least 2.3% of GDP
- Enhanced NATO integration
- Significant political progress on a peaceful solution to breakaway regions
- Continued GDP growth; modest increase in inflation
- MOD Budget at least 2.3% of GDP
- Georgia pursuing EU membership
- Political solutions have successfully resolved the problems of the breakaway regions
- Continued GDP growth; modest increase in inflation
- MOD Budget remains at least 2.3% of GDP
- Enhanced EU integration

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the military planning scenarios that determine the missions and tasks that the GAF would need to perform in responding to those specific requirements. The analysis also considered additional missions and tasks associated with support to civilian authorities (natural and technological disasters) and support to the Ministry of Internal Affairs (MOIA).

5.2.3 Step 6: Identification of Missions and Tasks

The identification of the five major threats provides the basis for development of specific military missions and tasks that needed to be accomplished if the military was to successfully respond to these scenarios. Each represents a unique set of challenges that had to be assessed individually. This analysis was performed by identifying the missions and tasks that the current GAF force would need to accomplish in order to successfully respond to each scenario.

This analysis was performed using a set of functional capabilities, with the following categories used as the construct for the assessment: command and control; surveillance/intelligence and early warning; maneuver; fires; force protection; sustainment/installation support; coordination with other ministries; and institutional training and education. Each major organization (Joint Staff, Land Force, Air Force, Naval Force, National Guard, Special Forces, and Other Structures) was analyzed to determine the critical missions/tasks that needed to be performed relative to each of the planning scenarios (1 – large scale military intervention, 2 – conflict in breakaway region(s), 3 – conflict spillover from North Caucasus region, 4 – conflict spillover from Neighboring Countries in South Caucasus, and 5 – International Terrorism). Each mission/task is footnoted by a 1, 2, 3, 4 and/or 5 to identify the specific or multiple scenarios in which it would need to be performed.

This process provides military planners with greater insight into those capabilities that will be most applicable to the broadest range of requirements. The following matrix represents the results of the analysis and forms the basis for the subsequent capabilities assessment. (See annex 1 to see a larger version of this chart.) The chart extract on the following page depicts Joint Staff command and control tasks as an example of the analysis process.

Diagram is removed

5.2.4 Step 7: Analysis of Current Capabilities

This step involves an independent analysis of each GAF organizational structure. This process identifies the capabilities needed by that specific organization to meet the mission and task requirements identified in Step 6. Once the capabilities required are determined, each is assessed independently to determine if existing GAF organizations have the adequate means to accomplish that capability requirement. Means translates to having adequate personnel with the proper equipment and training to perform those missions or tasks.

The SDR analysis also assessed the type(s) of corrective action required to address any deficiency. The types of corrective action required were categorized as follows; D = doctrine, T = training, O = organizational, M = materiel/equipment, L = leader, and F = facility/institutional base. It is necessary to categorize corrective actions to ensure all functional shortfalls are addressed in resolving the deficiency. In many cases, operational deficiencies can be corrected with the publication of more detailed doctrine procedures or better staff training. Other cases may require the acquisition of new equipment or construction of new facilities. The analysis process also identified any ongoing corrective action.

As an example of the analysis, the following page provides the assessment of the Joint Staff. It addresses specific missions and tasks that the staff would need to perform in order to execute its required responsibilities. It also identifies current deficiencies. The analysis covers the eight capability areas reflected on the previous page: command and control, surveillance/intelligence, maneuver, fires, force protection, sustainment/installation support, coordination with other ministries, and institutional training and education.

In the area of C2 missions/tasks for example, the Joint Staff had six specific requirements identified: provide strategic command and control; perform crisis action planning and execution; prepare and disseminate orders and information; ensure adequate C3I redundancy; direct mobilization; and provide trained and ready forces. In the column to the right (Capabilities Necessary to Meet Requirements), the Joint Staff capabilities necessary to perform each of the six tasks is shown.

In the next column to the right (Capability Deficiencies), existing deficiencies in the Joint Staff’s capability to perform the required task(s) were identified. This was a subjective assessment based on the best professional judgment of the senior military leadership within the Joint Staff. In the particular case of Joint Staff’s ability to perform its specified C2 tasks, eight deficiencies are noted: institutionalized professional military education system and formal
staff training process; established crisis action planning procedures; functional Military Operations Center; Information Operations (IO) concept, processes and organizational structure; modern, functional C3I system; functional mobilization system; fully functional PPBS-type system; and functional personnel management system. Finally, in the far right column (Remarks), ongoing actions to correct some/all of the existing deficiency were shown. In order to facilitate understanding, GREEN was used to signify positive corrective actions, while RED identified areas where corrective actions were still required. Again, in the area of Joint Staff C2 deficiencies, positive progress is noted in the areas of C3I, PPBS and personnel management. This column also identifies any relationship to existing Partnership Goals as well as the type of deficiency (D, T, O, M, L and/or F) noted.

5.2.5 Step 8: Analysis of Current Capability Deficiencies

After assessing all six major GAF organizations, an integrated list of all capability deficiencies was compiled. This cumulative list is portrayed in the diagram below.

This list of deficiencies can be further summarized to eliminate duplicate or related deficiencies. For example, in reviewing common C2 deficiencies for all six major GAF organizations, several have similar shortfalls in C3I systems and crisis action procedures. Such similarities occur in other areas. As a result, an integrated list of C2 deficiencies can be developed as reflected below. Note that those deficiencies that could be appropriately addressed in the SDR process are annotated in the right hand column.

The final task within this step involved compiling all deficiencies that could be addressed in the SDR process into a single, summarized set of issues; that identified deficiencies from all eight capability categories – command and control, surveillance/intelligence, maneuver, fires, force protection, sustainment/installation support, coordination with other ministries, and institutional training and education. This list focuses primarily on key force structure related deficiencies identified in Step 8. These issues provided a basis for the development of force structure options and subsequent trade-off analysis.

The following chart provides a summary of deficiencies considered during the SDR process. These deficiencies and are addressed in the following chapter.
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Chapter VI

Development and trade-off analysis of force structure to address capability deficiencies to develop the optimal, affordable force structure.

6.1 Introduction

This chapter covers the development of the SDR near-, mid-, and long-term force. It reviews unresolved issues from the Interim SDR Report (2006) and provides an assessment of how capability deficiencies from Chapter V were addressed in the development of the near, mid and long-term force. The chapter also provides a capabilities-based analysis to determine deficiencies in the ability of the GAF to perform the required missions and tasks needed to address near, mid and long-term risks and threats to national security. Actions to correct specific capability deficiencies have also been prioritized and identified by SDR planning periods. Finally, the chapter addresses affordability of the SDR force structure based on projected MOD defense budgets and identifies specific units for inactivation or reorganization.


In last year’s interim SDR report, Chapter 7 included a number of unresolved issues requiring further assessment and action. Each of these issues has been addressed in this report. However, for clarity a brief synopsis of the previously unresolved issues is provided.

6.2.1 Issue: Determining forces beyond 2009

Brief Description: A number of factors were cited as inhibiting the capability of the SDR process to fully address force planning beyond 2009 due to: the dynamic nature of internal conflicts and continuing Russian military presence; immature cost analysis and forecasting tools; absence of a functional PPBS process; and lack of a Ministry of Finance (MoF) Mid-Term Expenditure Framework (MTEF) system.

Final SDR Report: The force planning horizon now extends to 2015. While the continuing presence of Russian bases remains an issue, full withdrawal is continuing based upon established timelines for completion in 2008. The PPBS process is now in the process of implementation and is fully integrated into SDR planning. Costing tools and life-cycle analysis are now embedded in all financial planning and embedded in the SDR affordability analysis. In addition, the MoF has implemented an MTEF system.

6.2.2 Roles and missions between Ministry of Defense and Ministry of Interior

Brief Description: A comprehensive interagency review concerning the responsibilities of the MOD and Ministry of Internal Affairs (MOIA) is needed. This review is required to define and clarify the respective roles and missions for both organizations – MOIA for border protection and MOD for border security. It should also clarify the roles and missions for the Navy and Coast Guard and address potential initiatives to improve cooperation and coordination.

Final SDR Report: The interagency committee including both MOD and MOIA experts has developed recommendations to perform common logistic support for the Navy and Coast Guard as well as for Air Force and MOIA aviation. These recommendations are under review, with an established goal of 2009 implementation. When adopted, this common support arrangement will facilitate SDR long-term planning (2015) with the merging of Navy and Coast Guard in a multi-purpose Maritime Defense Forces

6.2.3 NATO interoperability issues

Brief Description: A number of areas were identified concerning this issue: establishment of a Land Forces Headquarters; improving capabilities to deploy and sustain forces; upgrading communications equipment; continued emphasis on English language training; developing and implementing a human resource management system; implementing PPBS; and continuing to improve Host Nation (HN) support capabilities.

Final SDR Report: Significant progress has been made in virtually all areas noted above: Land Forces Headquarters was activated in mid-2006; multiple improvements in deployed force have been programmed; relevant sums were allocated from the state funds to procure modern communications equipment; strong progress in English language training continues, as highlighted by an excellent report recently provided by the Bureau for International Language Coordination assessment team; substantial progress on development and implementation of a Military Personnel Management System; ongoing PPBS implementation;
and multiple initiatives implemented to improve HN support capabilities including establishment of a Standardization and Codification Branch in the Joint Staff J-4, and publication of the second edition of Georgia’s Host Nation Support Catalog. In addition, Georgia has increased its commitment to Operation Iraqi Freedom to a brigade size element, and will increase its contribution to NATO-led operations from two companies in 2012 to a battalion in 2015.

6.2.4 Surveillance and control of Georgian airspace

Brief Description: This issue addressed the requirement to improve Georgia’s capability to identify aerial threats and react accordingly. Existing shortfalls in surveillance and response capabilities – fighter and ground air defense systems – were highlighted. At issue was the considerable investment necessary to reduce these deficiencies versus potential benefits achieved.

Final SDR Report: Improvements in this area continue by implementing measures to meet NATO compatible Regional Airspace Initiative requirements. Air surveillance and control has been enhanced through the acquisition of new 36D6 radars. These new systems augment legacy radars and are now electronically linked to the Air Operations Center (AOC), which was fully modernized in 2006. The AOC is now connected to the civilian air traffic control network, and will be capable of providing Automated Weapons Control to ground based air defense as well as the ability to install LINK-1 protocols for ASDE. Incremental upgrades to Su-25 and helicopter aircraft continue. Procurement of additional ground-based air defense systems is programmed. Additional assessment is required to investigate additional capability enhancements possible within affordability constraints. This assessment will be accomplished during the ongoing PPBS cycle and compete for funding in the 2009 defense budget.

6.2.5 Surveillance and control of Georgian territorial waters and designated maritime zones

Brief Description: This issue addressed the requirement to improve Georgia’s capability to more effectively monitor and appropriately respond to potential threats within its maritime area. Deficiencies noted included shortfalls in the capability to share real time surveillance information from multiple sources, conduct analysis, and coordinate an appropriate response. It also noted Georgia’s Partnership Goal commitment to begin development of a harbor mine countermine capability.

Final SDR Report: This issue requires further assessment. The only substantive improvement in this area relates to the programmed implementation of the recommendations from the MOD and MOIA interagency commission concerning common logistic support issues. However, a serious discrepancy still remains between the Naval Force’s specified missions and organic capabilities. At this time, and for the foreseeable future, the Naval Force has only a marginal capability to perform its specified missions. Additional assessment is required to develop capability enhancements possible within affordability constraints. This assessment will be accomplished during the ongoing PPBS cycle and compete for funding in the 2009 defense budget. U.S. supported planning is also ongoing to establish a maritime surveillance system over territorial and economic exclusion zone areas.

6.2.6 Developing selected new capabilities

Brief Description: Three specific new capabilities were identified in this area: tactical military police, military intelligence, and mountain warfare units.

Final SDR Report: Significant progress has been made in all three areas. A Military Police Battalion is now being formed. Once established, it will undergo a formal, U.S. sponsored training program. Military intelligence capabilities have been improved with the acquisition of five UAVs. These assets will be operated initially in the Air Force. In the SDR mid-term force, the UAVs are programmed for realignment under the Land Force Military Intelligence Battalion. The intent is to consolidate key GAF intelligence collection assets under a single commander to improve operational control and coordination. GAF mountain training capabilities have been significantly enhanced with French support. The Mountain Training Center (MTC) has been totally refurbished and fourteen Georgian instructors certified by French trainers. Specific mountain training policies are still being drafted in order to specify which GAF organizations will specialize in mountain warfare. The intent is to offer the MTC as a regional and subsequently a PfP Training Center.

6.2.7 Parliamentary laws

Brief Description: Two specific tasks were identified: development of a law to provide for long-term acquisition planning; and development of a law to support continuity in military and civil service.

Final SDR Report: Specific legislation concerning multi-year procurement and improvement of the legal status of public service employees is still under development.
6.2.8 Service specific issues

**Brief Description:**
- Land Force. Focus on establishment of new headquarters and identification of war fighting functions, with emphasis on improving tactical communications, logistics support, and reorganization of artillery assets.
- Air Force. Emphasis on modernizing selective portions of the aviation fleet and increasing pilot flying hours. Improve flight operations by incorporating U.S. doctrine and procedures in all rotary wing squadrons. Continue to implement actions associated with the NATO compatible Regional Airspace Initiative. Participate in the interagency commission with the MOIA concerning common log support. Review installation master planning and plan on future airbase consolidation.
- Naval Force. Continue to apply limited resources to maintain the capability of the maritime force to perform its specified missions. Review of naval missions and tasks should provide benchmark for determining the types and quantity of ships required to develop modernization requirements. Begin planning for eventual development of a harbor mine countermeasures capability.
- National Guard. Participate in the assessment of the proper active to reserve force balance. Missions and affordability are key determinants.

**Final SDR Report:**
- Land Forces. The new headquarters is fully functional and focused on execution of peacetime and wartime requirements. Modern, digital communications equipment has been procured using U.S. and national funds. Reorganization of artillery assets has been completed, with three infantry brigades now having organic direct support battalions. A redistribution of mobility vehicles has also been completed, including newly acquired and donated assets. Engineer capabilities were significantly improved and emphasis is now being placed on developing CBRN capabilities. Inactivation of the 4th Infantry Brigade will be executed during the mid-term SDR planning period.
- Air Force. Acquisition and modernization of existing aircraft continues. Flying hours will increase significantly in both 2007 and 2008 and will meet NATO minimum standards. The AOC is fully functional and prepared for complete integration into the NATO compatible Regional Airspace Initiative. Common logistic support involving MOIA will be implemented in accordance with the interagency commission recommendations.
- Naval Force. As noted earlier, the missions specified for the Navy are clearly not achievable based on the status of existing capabilities. The SDR long-term force forms a Maritime Defense Force by merging Naval and Coast Guard assets. This concept appears to have tacit government support, however much work remains in finalizing this objective. Clearly, affordability constraints preclude procurement of many replacement ships for the obsolete vessels which now constitute the existing fleet. Additional assessment is required to identify the additional capability enhancements needed to make the Maritime Defense Force a viable organization. This assessment has been directed in the Defense Planning Guidance, with requirements identified to compete for funding in the 2009 (and beyond) defense budget.
- National Guard. Since the publication of last year’s interim report, a major governmental change has occurred with regard to defense policy. In September, 2006 the Parliament unanimously approved a policy concept of “total and unconditional defense”. It includes a provision that directs the MOD to train a substantial number of reserves and form additional wartime structures. The National Guard Department is now finalizing their concept to meet the government’s guidance.

6.2.9 Force capability choices

**Brief Description:** The final SDR force should optimize the right mix of: professional and conscript personnel; combat, combat support, and combat service support forces; forces and assets allocated between operational and support structures; and, roles, missions, and resources allocated to the Land, Air, Naval and National Guard Department.

**Final SDR Report:** The capabilities-based process used to develop the near, mid and long-term force has been designed to address these criteria. MOD remains committed to ending conscription after 2009. The PPBS process has been designed around a capabilities-based structure to better ensure resources are allocated against the most critical capability requirements identified during the SDR process. A significant problem still exists with apportionment of resources to the Navy. However, pending the completion of a detailed assessment addressing the organization and functions of the Maritime Defense Force, additional capital investment will need to be deferred.

6.2.10 Budget and resource planning for the future

**Brief Description:** As MOD experience improves, the following criteria should be applied to SDR analysis: determining the proper allocation of resources between operational and capital investment; maintain a sustained capability to upgrade and modernize equipment; and, appropriately distribute adequate resources to properly restructure the 2006-2009 force.

**Final SDR Report:** The soon to be published Defense Planning Guidance (DPG) 2008 – 2011 addresses in broad terms the issues described above. The DPG guidance establishes an objective range from 15 – 26 % in the allo-
cation of defense resources to capital investment, which includes both new equipment acquisition and capital investment in infrastructure. This guidance applies to the four year period addressed in the DPG – budget year plus the next three program years – and provides continuity for resource planning by the MOD designated Program Coordinators.

6.3 Capability Deficiencies
The previous chapter identified a number of capability deficiencies relevant for SDR analysis. These are reflected in the “SDR Implication” column in the following matrix. Specific SDR actions related to these tasks are shown in the “SDR Assessment” column. In many cases, it was determined that additional information was needed to properly assess the appropriate course of action for future consideration. The following chart provides specific remarks concerning the specific actions taken. Additional detail will be provided in subparagraph 6.4.

6.4 Synopsis of SDR Assessment

6.5 SDR Force Structure

SDR recommendations will reduce the current authorized GAF end strength from 28,666 personnel in the current force to 18,755 by the end of 2015. Based on our current risk assessment and financial resources, this force meets our essential national security requirements and is both affordable and sustainable based on defense budget constraints.

The development of the final SDR force option was driven by several primary factors:
- Determination of how proposed structural changes affected the level of risk for the nation based on current projected threats to the nation’s national security;
- Acute awareness of instabilities created by tensions in the separatist regions and North Caucasus region.
- Continuing presence of Russian military bases through 2008;
- Intent to further enhance NATO interoperability;
- Affordability analysis of resource life cycle costs for proposed structural changes;
- Balancing the rate of transformation while maintaining Georgia’s international commitments to peacekeeping and counter terrorism operations;
- Modernization challenges in procuring western manufactured equipment (weapon systems, C3I equipment, etc.) based on limited markets (i.e., procurement of advanced technologies); and
- Consideration of transformational impacts on military and civilian personnel;

Constrained acquisition funding has particularly significant implications with regard to addressing the disparity between directed Naval Force missions and current capabilities. The majority of existing ships are obsolete, poorly equipped and incapable of performing sustained maritime operations. Prudent recapitalization of maritime assets is imperative and must be programmed to complement the formation of a Maritime Defense Force in the 2013 -2015 period in order to best optimize the merging of their respective capabilities.

The SDR force structure represents the current state of military planning. We recognize that, as in all military planning, changes are inevitable. Periodic force structure reviews are required on a quadrennial cycle. However, a review of the programmed SDR structure will occur annually, although in a less rigorous manner, during the development of the capabilities-based defense budget. It is fully recognized that a myriad of factors could and will impact on the assumptions made during the SDR process. However, a strong foundation has been created for the development of a Joint Staff force management regulation.

6.5.1 Current Organizational Structure

The existing organization of the GAF has changed little from the mid-2006 interim SDR report period. However there have been several changes of importance that should be noted:
- The General Staff has been re-designated as a Joint Staff and will be staffed with a representative proportion of personnel from all services.
- Redistribution of artillery assets have placed shorter range cannons in the infantry brigade direct support battalions; longer range cannons and MLRS have been consolidated in the Land Force Artillery Brigade.
- Logistics battalions have been formed as organic structures of the 1st, 2nd, and 3rd Infantry Brigades; a Logistic Battalion providing general support to Land Forces will be formed by the end of 2009.
- The 4th Infantry Brigade will not revert to a cadre status; it will be restructured to mirror the other infantry brigades.
- Transfer of helicopters from MOIA resulted in some internal reorganization of existing Air Force squadrons.
- Initiation of planning of the recommendations from the MOD and MOIA interagency commission concerning common logistic support for the Air Force and Navy.

The diagram to the right depicts the current Joint Staff organization. Under the ongoing reorganization of the Joint Staff, the number of personnel assigned with increase from 280 to 450. Plans are being finalized to identify the positions to be
filled by each service. For the foreseeable future, no significant change to this organization is planned. The structure is fully compatible with NATO requirements.

The current authorized strength of GAF subordinate structures is now 28,666 personnel and consists of the following major components: Land Force with 16,993; Air Force with 1,791; Navy with 686; and Administrative Staffs and Central Structures with 9,196. Several changes to the force have occurred since completion of last year’s interim SDR report:

- **Land Force:**
  - The headquarters is now a mature, functioning organization.
o Subordinate Land Force structures now include a Medical Battalion.

- **Air Force:**
  o Transfer of MOIA helicopters and Special Forces assets resulted in an increase in the number of aircraft assigned to the mixed Mi-8/14/24 Squadron and establishment of an AN-2 Squadron.
  o A new UAV Squadron has been established to support the acquisition of five new systems.

- **National Guard Department:** The mission of the department has been significantly expanded due to the recent change in Georgian defense policy concerning “total and unconditional defense concept” with the intent of creating a pool of 100,000 reserve personnel.

- **Military Police Department:** The current company structure will form the nucleus of a Military Police Battalion. Personnel from the disbanding Special Forces Infantry Battalion will be used to form the new structure.

Within the Land Force, the existing infantry brigade constitutes the primary ground maneuver unit. The current structure for the infantry brigade is shown to the right: It contains four combat maneuver battalions, a direct support artillery battalion, and logistic support battalion. It also has organic recce, engineer and signal companies.


By the end of 2009, the authorized strength of the GAF will
be reduced to 26,007 personnel – Land Force with 17,225, Air Force with 1,585; Navy with 786, and Administrative Staffs and Central Structures with 6,411. By the end of 2009, based on programmed SDR recommendations, structural changes to the current force include:

- The two separate infantry battalions (i.e., Poti and Batumi) will be inactivated.
- The new Military Police Battalion will transfer from the Military Police Department to Land Force.
- A general support Logistic Battalion will be established under Land Force and include the assets from the previously assigned Medical Battalion.
- National Guard’s four (NG) brigade cadre will be formed consisting of the regional NG battalions.
- The Air Force UAV Squadron will be transferred to the Land Force Military Intelligence Battalion to consolidate key intelligence assets under a single command structure.

By the end of 2009, the basic composition of the infantry brigade will be slightly modified by adding an additional armor company, eliminating one mechanized company, and adding an NBC platoon in the engineer company. This change will increase the mobility and lethality of the brigade structure. The intent is to procure non-Soviet equipment that is more interoperable with NATO requirements.

By 2009, at least four NG brigades will be formed to provide a command and control structure for the regional NG battalions. The brigade headquarters for each of these organizations will have a small peacetime active duty cadre of 47 officers and NCOs to perform mobilization planning and administrative functions. Current planning for the fully mobilized structure for these brigades is still under development; however the wiring diagram shows the standard battalion organization of all NG battalions.

6.5.3 End State for Mid-term (2010 – 2012) Force Structure

By the end of 2012, the authorized strength of the GAF will be reduced to 21,701 personnel – Land Force with 13,678, Air Force with 1,585, Navy with 786, and Administrative
GEORGIAN ARMED FORCES MID TERM PERIOD 2010 –2012 END STATE

Staffs and Central Structures with 5,652. The force will be fully professional with the elimination of conscription in 2009. Major changes to the GAF organizational structure during this period will include:

- The 4th Infantry Brigade will be inactivated in 2012.
- The 152mm Howitzer and Anti-Tank Battalions in the Artillery Brigade will be inactivated.
- Acquisition of modern SIGINT systems for the Land Force Military Intelligence Battalion.
- Based on anticipated changes to the existing legislation concerning the “Total and Unconditional Defense” the overall structure of the National Guard will be significantly reduced.


By the end of 2015, the authorized strength of the GAF will be reduced to 18,755 personnel – Land Forces with 11,876, Air Force with 500, and Navy with 1,280, and Administrative Staffs and Central Structures with 5,108. Based on SDR analysis, a number of significant changes to the overall GAF force structure are programmed for this period:

- Air Force – the elimination of the Su-25 Squadron and transfer of rotary wing assets to the Land Force.
- Reduction of one infantry brigade and elimination of one combat battalion in each remaining brigade.
- Elimination of the separate tank battalion.
- Creation of an Aviation Regiment with the transfer of all operational Air Force rotary wing squadrons to Land Forces.
- Creation of a Maritime Defense Force with the merging of Navy and Coast Guard assets;
- Modifications to the National Guard Department will be required based on anticipated changes to national policy of “total and unconditional defense”.
- Elimination of the organization for Georgian peacekeepers assigned to the separatist regions.

These changes will require modifications to the existing GAF tasks for service components to coincide with these planned changes during the 2013 – 2015 period:
• Land Force:
  o Existing Tasks:
    – Preserving high level of combat training and readiness;
    – Fighting aggressor forces on main strategic-operational directions;
    – Supporting Border Police in national border protection;
    – Supporting civil authorities during disaster relief operations;
    – Supporting civil authorities in counter-terrorist operations; and
    – Providing units for NATO-led and coalition operations abroad.
  o New Tasks:
    – Provide close air support;
    – Provide air assault and re-supply support; and
    – Support to civilian authorities during natural disasters and counter terrorism operations.
• Air Force: Its only task will be to provide airspace surveillance and connectivity.
• Maritime Defense Force (MDF): It is fully recognized that new legislation will be required to authorize the MDF with the appropriate authority required to perform both defense and law enforcement functions. Additionally, a detailed implementation plan will be required to reorganize the Navy and Coast Guard based on the concept outlined below.
  o Defense Tasks:
    – Securing the sea lines of communications;
    – Protecting Georgian waters, ports and coastline from attack and other violation or intrusion;
    – Preserving high level of combat training and readiness;
    – Support to civil authorities during disaster relief operations;
    – Support to civil authorities in counter-terrorist operations; and
    – Providing forces for the regional maritime collective defense.
  o Law Enforcement Tasks:
    – Protection of maritime borders;
    – Prevention of smuggling and enforcement of customs regulations;
    – Prevention of illegal immigration and enforcement of immigration regulations;
    – Protection of the maritime environment and enforcement of environmental regulations at sea;
    – Protection of maritime resources including fisheries, and enforcement of applicable regulations;
    – Enforcement of navigational regulations;
    – Conducting search and rescue at sea;
    – Control and coordination of port safety and security; and
    – Other maritime operations as directed.
  o Organizational Concept for Creation of the Maritime Defense Force:
    – Organizational Structure.
    – Maritime Defense Force Command – a reorganized, combined naval and Coast Guard staff located at Poti.
    – Maritime Operations Center – integrated maritime surveillance center featuring a common operational picture developed from long (out to 200 nm) and short (out to 60 nm) range radars located at Poti.
    – Main Poti Maritime Base – berthing and support facilities to accommodate the following organizations; a Maritime Ship Squadron of 3-4 blue water vessels, a Coastal Ship Squadron of 4 – 5 vessels, and logistic support center providing support to all maritime forces.
    – Batumi Maritime Base – berthing and support facilities to accommodate the following organizations; a second Coastal Ship Squadron of 4 – 5 vessels, a Maritime Training Center, and a small logistic center to support the Coastal Ship Squadron.
    – Dispersed radar reconnaissance detachments to man the short and long range radar systems.
  – Key Issues:
    – Implementing Common Logistic Support. While the recommendation from the MoD and MoIA interagency commission concerning common logistic support are still under consideration, it establishes a goal of 2009 for implementation.
    – Short Term Ship Retirements. Selected vessels will be programmed, including potentially the Navy vessels Tskaltubo and both Guria and Atia landing craft, based on their existing status.
    – Mid and Long-term Retirements. Remaining Naval vessels will be retired based on the availability of replacement platforms to perform essential mission requirements. However, based on age, operational status and future value, the Dioskuria, Kutaisi, Iveria and Mestia will likely be early candidates for retirement.
    – Potential Realignment of Selected Vessels. It is possible that some existing naval river and patrol boats could be transferred to coastal missions since some of these vessels are in good operational condition.
    – Fast Boats. Some fast boats will be retained for port security (including counter mine requirements) while the remainder will be sold or retained for training.
    – Replacement of Vessels. Replacing maritime (blue water) vessels constitutes the greatest challenge. As noted above, 3 to 4 blue water capable platforms represent the objective requirement. Every attempt will be made to procure vessels from a common source to mitigate logistic support costs. Finally, due to the significant expenditures required to replace Maritime Defense Force assets, a thorough life cycle costing assessment will be conducted.
Coast Guard. The merging of naval and Coast Guard capabilities represents a formidable challenge. However, the Coast Guard has been the beneficiary of a sustained, U.S. Department of Transportation program that has supported the transformation of the Georgian Coast Guard. This organization has already experienced dramatic downsizing, including a reduction in its fleet from 38 to 14 vessels. The current fleet includes two ships and twelve operational patrol boats. Many of these vessels have been donated and include a number of former, U.S. Coast Guard vessels that are in excellent condition. Additionally, the Coast Guard has received U.S. support in building or refurbishing many of its administrative, operational and logistic infrastructure, most of which is located at Poti or Batumi.

By the end of 2015, the basic brigade formation will be reduced from four to three combat maneuver battalions. A mechanized company will replace an armor company in the Mixed Armor Battalion. The diagram reflects the end state structure for the infantry brigade. As depicted, the brigade remains a flexible, self-contained maneuver structure with organic artillery, support and supporting signal, recce and engineer companies.

6.6 Logistics

Logistics transformation is one of the most difficult challenges faced by the GAF. The goal is to develop a highly trained, adaptable, logistic force that is fully interoperable with NATO requirements. These forces must be capable of supporting the deployment and employment of GAF units
participating in multinational operations. Equally important, these forces must be capable of contributing to Host Nation Support activities within Georgia as well as providing support to civil authorities during natural and technological disasters.

The logistic support structures are designed to provide general support to the force. Within service components, logistic organizations provide general and direct support to subordinate structures. The Joint Staff J-4 Department is responsible for developing policies and implementing guidance for GAF logistic operations. These implementing policies support what is primarily a push logistics system that is based on several fundamental principles; centralized procurement, dispersed depot storage and distribution of supplies and services, a central maintenance depot supporting the major rebuild of common items, and a limited capability to provide unique maintenance, supply, and transportation support at the service component level and below.

At the strategic level, the Force Logistic Support Department (FLSD) is comprised of depots, maintenance facilities, and a General Support Battalion. Each structure under the FLSD is designed to provide logistic support to the entire force. At the operational and tactical levels, each of the services possesses general and/or direct support logistics. By the end of 2009, the Land Force’s cadre strength Medical Battalion will be integrated into a fully functional Logistics Battalion. This unit will provide general support to all subordinate Land Force units. Within the brigade and separate battalion sized structures, organic logistics units are capable of providing limited support.

Air and Naval Forces are each supported by fixed logistics sites with resources that provide support to their unique aircraft and vessel requirements. Beginning in the near-term, the goal is to modernize existing capabilities. Additionally, recommendations of an interagency MOD and MOIA commission regarding common logistic support, are pending formal recommendation to the government.

Finally, it is fully acknowledged that some strategic capabilities are not within MOD capabilities. For example, strategic air and sea deployment will still require commercial contracts or support from other nations. Additionally, national level requirements for every deployment will need to be negotiated on a case-by-case basis.
6.7 Affordability Analysis

Significant progress in this area has been made since the publication of last year’s interim report due to extensive assistance from both the Dutch and U.S. Dutch assistance has addressed a wide range of topics, ranging from general principles of resource and financial planning to the conduct of workshops and seminars to train key civilian and military personnel on the skills necessary to plan, coordinate and execute PPBS tasks. A significant output of this assistance was the publication of the MOD’s PPBS Manual that identified the specific procedures, responsibilities and milestones for execution of financial management responsibilities. Additionally, U.S. assistance was instrumental in providing a comprehensive cost model that supported the SDR affordability analysis. This cost model provides the capability to assess force options over a multi-year period and properly consider the life cycle resource implications for effective resource planning. MOD intends to continue to refine the developed Cost Model and utilize this in support of future Defence planning.

6.7.1 General Description of Cost Model

The cost model consists of an extensive series of linked spreadsheets that develop cost data at three levels of detail. The first level is used to create templates for each unit of the GAF that has been assigned a Table of Organization and Equipment number. At this level, detailed manpower, logistics, and training data are developed using a broad array of cost factors and standards. The second level organizes the data from the individual unit templates, displaying the data at the major organization level (e.g. staff, brigade, separate battalion). This level is primarily used to assign the desired percentages of manning and readiness as measured against authorized manpower strengths and training standards and assess the cost impact of each option. The third level provides a management level view of the entire defense budget which is based on the projected percentage of GDP to be apportioned to the defense budget. It aggregates the data from the second level at the staff, service component, and supporting structure level. It also identifies other indirect support costs, as well as, planned expenditures for capital infrastructure and equipment. This level provides continual feedback regarding the impact of force management decisions on the overall defense budget, displaying total costs and any resulting budget surplus or shortfall. Additional details on the cost model, as well as the detailed SDR financial analysis are in annexes 2 and 3.

6.7.2 Defense Budget Projections

Future defense budgets provide the capability to build on the foundation established by historical and current budgets. In this regard, the MOD’s budget has grown substantially since 2003. Budget increases, international assistance, as well as significant US training assistance (Georgian Train and Equip and Sustainment and Stability Operations Programs), have provided the needed stimuli to rapidly improve the capabilities and readiness of the GAF.

In addition to initial budget funding, the MOD received substantial budget supplementals in 2004, 2005, 2006, and 2007 that accelerated its ability to more rapidly modernize outdated equipment and build/renovate infrastructure. These supplementals resulted principally from unanticipated increases in government revenue collections and the sale of state owned properties. Future projections have taken into account that additional supplemental funding is unlikely to continue as the Ministry of Finance (MoF) Medium Term Expenditure Framework (MTEF) process improves.

Development of future MOD budgets has been coordinated with the both the Ministry of Finance and collaboration with other international financial institutions, particularly with regard to projections concerning mid- and long-term economic data. Our future budget projections have not only provided the basis for SDR development, but also contributed to en-

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected GDP</th>
<th>Projected Defense Budget (DB)</th>
<th>DB as % of GDP</th>
</tr>
</thead>
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<tr>
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<tr>
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</tr>
<tr>
<td>2013</td>
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</tr>
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</tr>
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<tr>
<td>2016</td>
<td>43,183,893</td>
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</table>

See amended figures in Annex 1.
6.7.3 Force Readiness

The readiness of the force to perform its specified missions depends primarily on having sufficient personnel, proper equipment, adequate training funds and necessary supplies – fuel, ammunition, etc. The SDR analysis addressed the issues of personnel and training funds by categorizing each GAF unit or organization into one of three categories of readiness – high, medium or low. This categorization was based on the relative importance of each unit/organization in contributing to the accomplishment of several critical requirements; participation in ongoing international commitments, meeting worst and most likely case planning scenarios based on risks and threats to Georgian security, and their value in addressing future security requirements. The categorization was also based on the draft Unit Status Reporting System now under development by the Joint Staff J-3.

6.7.4 Force End Strength

Based on the readiness criteria noted above, the overall GAF force structure will be reduced by over 34% during periods covering the near-, mid- and long-term planning periods. The tables depict the projected, authorized personnel levels based by category (rank/grade) and major organizational structures.

The pie chart to the right depicts the planned allocation of resources in the projected 2009 defense budget. It shows that even after substantial pay increases, personnel costs only represent 31% of the budget. This provides substantial flexibility to allocate remaining funds for operations and maintenance (O & M) and capital expenditures. This flexibility is key, particularly in continuing the replacement of aged, Soviet type systems with more modern, NATO compatible systems.

6.7.6 Mid-term Force (2010 – 2012)

Projected budget planning for 2012 continues to provide a substantial funding flexibility to support transformation efforts. As in 2009, once personnel expenditures are satisfied, substantial funds remain to support more robust GAF training programs and acquire more modern equipment and replace capital equipment. It should be noted that while personnel authorizations begin to drop in 2012 (by 4,306) from 2009, personnel expenditures do not go down. This is a reflection of the annual pay increases programmed to sustain GAF salaries at a comparable level with the civilian sector.


By 2015, projections for defense budgets will have been adjusted to 2.3% of the GDP. Reductions in GAF authorized end strength – from 28,666 (2007) to 18,755, will have occurred. However, consistent with 2012, personnel costs will not decrease due to offsetting pay increases. Additionally, O & M costs go down as a result of cutting three infantry battalions and elimination of all fixed wing aircraft. As a result, capital expenditures may be increased and allow MOD the flexibility to continue equipment replacement and sustain infrastructure at a high level of repair and serviceability. This is a critical factor in providing MOD personnel with satisfactory living and working conditions.

6.8 Capabilities Analysis

The GAF is now only capable of conducting limited defensive operations against a large scale military invasion. Current forces could delay and defend against major military incursions, but would eventually be overwhelmed by the size and capabilities of an invading enemy. The GAF can conduct limited joint operations against such enemy forces, but the absence of doctrine and routine peacetime training involving all services would impact on its effectiveness.

Currently the GAF is capable of defending and counterattacking against lower level military forces. Land and air capabilities are sufficient to counter a small military or paramilitary force supported with limited combat support and combat service support assets. Fixed and rotary wing capabilities are limited primarily to day operations. Ground support capabilities are marginal, due to aircraft and the lack of practiced air-ground procedures. Naval forces are ill-prepared to execute assigned missions of maritime surveillance, protection of sea lines of communications, or defense of the coastline or ports. However, the Navy can conduct “show the flag” deployments, support civilian authorities during emergencies, conduct limited sea-based search and rescue operations, and support the Coast Guard in law enforcement activities. Special Force capabilities are currently marginal, with little training or the necessary equipment needed to conduct traditional missions such as strategic reconnaissance, direct action or hostage rescue.

Planning and execution of military operations against armed aggression would be negatively impacted by the absence of
a functional intelligence system, limited air defense capabilities, joint force interoperability, and limited combat service support capabilities.

In order to improve GAF capabilities over the planning period addressed in the SDR, incremental steps will be taken to address the capability deficiencies identified during the force analysis process. The following table addresses how the capability level of the GAF will improve during the near, mid and long-term periods.

(Table is removed)

### 6.9 Risk Analysis

Clearly Georgia has stronger, more capable neighbors that could easily overwhelm its internal security forces. In the near- and mid-term, political solutions to the issues of the separatist regions and Russian relations are the only practical means of potentially reducing the most pressing treats facing the nation. Pursuance of these political objectives strengthens Georgia’s credibility with the Euro-Atlantic community and facilitates achieving future NATO and EU goals.

While political solutions to Georgia’s most pressing issues are important, the existence of a credible military is also critical. Potential adversaries need to view the GAF as a credible, capable force fully prepared to react quickly and effectively to hostile acts. As noted earlier in the report, Georgia does not have the financial resources needed to develop and sustain a force sufficient to meet all threats, particularly in the near- and mid-term periods. Pragmatic analysis and planning was needed to identify the most critical capability deficiencies in order to properly prioritize the allocation of limited defense resources to address those shortfalls.

The MOD’s ability to address critical deficiencies has been enhanced over the last two years by significant budget supplementals. These budget increases provided an unprecedented opportunity to improve quality of life – pay increases, barracks renovation, etc. – as well as upgrade obsolete weapon systems. However, it is fully acknowledged that increasing defense budgets and additional supplementals will not continue indefinitely. MOD planning must implement tighter control over its force development and modernization practices in order to properly allocate its limited resources.

The SDR process considered primarily what capabilities most contributed to development of an integrated, joint defense force. Dramatic changes in near- and mid-term force structure were viewed as impractical due to threats and constrained resources. During this period, incremental capability improvements will be garnered by a number of factors:

- the experience gained by our forces deployed in Afghanistan, Iraq, and other operational theaters,
- enhanced NATO interoperability,
- modest equipment procurement,
- upgrades to existing systems, and
- transition to a fully professional force.

### 6.10 Modernization Plan

One of the important outcomes of the SDR process has been the development of a near-, mid- and long-term modernization priorities to address capability deficiencies. Acknowledged shortcomings in the GAF acquisition management system will be addressed to improve the procedures necessary to prioritize new equipment programs and provide consistency and focus for identifying the types of new equipment needed by the GAF to replace obsolete Soviet systems. Based on these requirements, potential options can be assessed for subsequent purchase. Actual expenditures will be guided by access to the appropriate equipment that is both available for Georgian procurement and offered with a complete sustainment package of necessary spare parts, training, and other logistic related features (tools, diagnostic equipment, etc.).

The previous subparagraph identified programmed capability improvements. The majority of these improvements involve the acquisition of new equipment. The following chart depicts the near, mid and long-term acquisition priorities for the GAF over the SDR planning periods.

(Table is removed)

### 6.11 Summary

Publication of this document represents accomplishment of another critical milestone in Georgia’s strategic defense planning process. It provides a thorough review and anal-
ysis of the capability requirements required by the GAF to accomplish both current and future missions and tasks. These recommendations provide a comprehensive baseline for development of implementation plans and identify acquisition priorities for the near-, mid- and long-term periods. The final draft has been reviewed by NATO partner countries and their comments and advice carefully considered in preparation of SDR recommendations. This input was essential in confirming that the objectives of the SDR process were accomplished and a solid foundation for future defense planning has been established.

When the final SDR draft was revised based on NATO consultation, it was presented to various public organizations to solicit their input. Such public debate is essential in maintaining transparency on defense matters and mitigates confusion or distrust over MOD intentions. Again, once the comments and remarks from public organizations were considered, the document was appropriately amended.

The next step to final SDR approval requires the document to be submitted for Parliamentary consideration by appropriate committees, other Ministries and political parties. Once the document has been approved, it will be forwarded to the President for final approval. After this step, the SDR becomes the legal authority to execute mid-, near- and long-term actions required to support MOD transformation.

It is anticipated that an interagency commission will be established to monitor and guide SDR implementation. Within the MOD, a subordinate commission will be created with representation from appropriate organizations. This commission will operate under the supervision of the First Deputy Minister and Chief of Defense. It will be responsible for supervising the implementation of SDR actions, providing guidance to subordinate structures, and preparing periodic reports to the Minister of Defense on the status of implementation actions.
Annex 1.

### Estimation of Future Defence Budgets (in thousands of GEL)

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected GDP</th>
<th>Projected Defense Budget (DB)</th>
<th>DB as % of GDP</th>
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Annex 2.

Budget - 2009

6.7.6 Mid-term Force (2010-2012)  
Budget - 2012

Budget - 2015

Annex 3.
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<td>Unmanned Aerial Vehicle</td>
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