

Defence Policies '07 in Brief: Estonia, Latvia and Lithuania*

Estonian Defence Policy in 2007

If the year 2007 would have to be described from a security and defence policy perspective with only two words, Estonia would surely have to call it the year of cyber security. No other topic was more prevalent and influenced our perception of the Estonian, European and worldwide security environment deeper than security in cyberspace, as the entire Euro-Atlantic area stirred in the aftermath of the cyber-attacks that hit Estonia.

However, 2007 was also another year of successful cooperation within NATO and the EU, as we further consolidated our already strong ties as members of these organizations. Both NATO and EU undoubtedly remain our Estonia's primary partners in political as well as military cooperation. This is witnessed in the operations that are conducted by these organizations in Afghanistan and Kosovo with Estonian participation, as well as in joint initiatives and projects to follow up on the increasing demands of the modern security environment.

1. The cyber security challenge

At the end of April and the beginning of May last year, following the relocation of a Soviet war memorial, Estonia became the target of an overwhelming barrage of cyber attacks. Amongst the targets were government servers, online news, banks and communications companies, but also many other institutions essential to a functioning society. Even though the damage was limited, worse consequences were prevented due to a quick reaction from the Estonian Computer Emergency Response Team (CERT) and swift cooperation between the government and private sector as well as help from other countries.

After the attacks Estonia quickly informed the world about the attack itself and the challenges that cyber security as such presents to the global village. Specifically, widespread use of information systems makes technologically

* Policy briefs, commissioned by the *Baltic Security and Defence Review*, where written and provided by the ministries of defence of Estonia, Latvia and Lithuania.

advanced countries inherently more vulnerable as properties of the cyber net present us with problems such as unparalleled anonymity, lack of a sufficient warning and most of all, underlying asymmetry. Combined, these features represent a security challenge that is not only unique, but also dangerous.

NATO proceeded to respond to the cyber security challenge with remarkable speed and effort. After the attacks the Estonian Minister of Defence Dr. Jaak Aaviksoo briefed the Alliance on the issue as early as June 2007 at the NATO ministers of defence meeting. As a consequence, cyber security has been one of the top issues on the Alliance's agenda since then with perhaps the most visible sign being NATO cyber defence policy, released and approved in NATO ministerial meeting in Vilnius and subsequently endorsed at the Bucharest summit.

In addition to this, Tallinn became the location for the NATO Cooperative Cyber Defence Centre of Excellence. Intriguingly, Estonia proposed the idea before the cyber attacks took place and has since then stressed the importance of a Centre of Excellence which would better coordinate the Alliance's common efforts in cyber defence. The Centre of Excellence will mainly act as a cutting edge research centre for technological and conceptual research and development. By providing training, expertise, analysis and conceptual as well as doctrine development the Centre will present Alliance members with an unique opportunity to develop advanced capabilities in order to combat challenges in cyber space through greater synergy. The Centre of Excellence will go through an accreditation procedure and is set to achieve operational capability in January 2009.

Internally, Estonia has responded to the new challenge by drafting a national cyber defence strategy. This document aims to define vulnerabilities and map the road for a comprehensive national cyber security and as such should become the basis for cyber defence in Estonia; to achieve this, the strategy concentrates on five functional areas:

1. Increasing cyber security measures within the society with a special focus on government institutions and critical infrastructure;
2. Increasing competence in the field of cyber security;
3. Creating an appropriate legal environment;
4. Advancing international cooperation;
5. Raising awareness about cyber security in the society.

The strategy is a cooperative endeavour between several ministries, government agencies and experts from the private sector. The final document was approved by the Estonian government on the May 8th, 2008.

2. Developing capabilities through NATO and the European Union

NATO and the EU remain the two international pillars to Estonian national security. Tensions in Afghanistan, Kosovo, Africa, the Middle East and other parts of the world have reinforced Estonia's conviction that the presence of capable and willing security cooperation is a keystone of European security. Both NATO and the EU have responded to this challenge by creating rapid reaction forces and encouraging their member states to modernize their military forces to meet the demands of this new security environment. These efforts, which include NATO Response Force and EU Battlegroups, as well as initiatives such as strategic airlift capability, missile defence and cyber defence, are fully supported by Estonia.

From an Estonian point of view, the NRF is the key to reforming the armies of NATO member states in order to guarantee that they remain capable when confronted with modern challenges. Estonian participation in the NRF was in 2007 most strongly manifested in its preparation for the creation of a NRF-14 Baltic battalion in 2010.

Additionally, to maintain a mobile and flexible force, rapid transportation capability is also essential. Seeing as maintaining such a capability separately would be too inefficient for many NATO members, Estonia has found that participation in the C-17 NATO strategic airlift capability (NSAC) initiative is a good opportunity to enhance both the flexibility and interoperability of Alliance forces. In the past year, Estonian officials from the Ministry of Defence participated in workgroups concerning the legal and political side of the NSAC, including drawing up a memorandum of understanding, agreements on deploying the aircraft in Hungarian airbases, negotiations with Boeing and drafting documents regarding Concept of Operations and logistical arrangements. After SAC achieves operational capability, 45 hours of flight time per year will be available to Estonia for deploying our troops into locations all over the world.

Within the EU defence framework, preparations commenced in Estonia to participate in the EU Battlegroups initiative during the first half of 2008, specifically in the Nordic Battlegroup together with Norway, Sweden, Finland and Ireland. Estonia is a strong proponent of developing the EU's rapid reaction force capabilities, and has also principally agreed to participate in the next Nordic Battlegroup in 2011.

The EDA as an institution, which directly deals with the risks, threats and shortcomings outlined in the European defence strategy and long term vision, has an important role to play in the development of the EU's and therefore also within Estonian military capabilities. Estonia contributed to the Joint Investment Programme with EEK 2.5 million (EUR 160 000) and participated in several procurement bids. Estonia hopes to see the EDA take on a more active role in joint procurements in the future.

3. Defence cooperation in 2007

Even though the focal point for Estonia was cyber security, there were many other developments both internationally and nationally that left an impact from a security and defence policy point of view.

Estonia is committed to participating in ongoing international operations. As a result, Estonian troops are currently serving in Iraq, Afghanistan, Kosovo and Bosnia and Herzegovina, with a number of military observers deployed to the Middle East. In 2007, the total number of participating troops varied between 200 and 250 (approximately 8% of the Estonian defence forces) thereby fulfilling the corresponding goal set at the NATO Istanbul summit. Most of the Estonian troops were deployed to Afghanistan and Iraq, and served together with British and American forces. Unfortunately, 2007 also saw two Estonian soldiers killed in action in Afghanistan.

The Baltics have for a long time been one of the priorities on the Estonian cooperation agenda. One of the most important issues for all three Baltic states is air policing, which so far has been provided by our NATO allies. A decision was made by the Baltic states to develop a joint analysis of air policing options for post 2018 and look into drafting a political guideline. In September, a joint decision was made to start covering the costs for the accommodation of the international air policing starting with 2008 with

additional plans to start covering the deployment and redeployment costs in the longer perspective.

Plans for future Baltic defence cooperation were further elaborated with progress in the preparation of the NRF-14 Baltic battalion. In April, a military committee headed by the Commander-in-Chiefs of the Estonian, Latvian and Lithuanian defence forces approved the basic structure and a roadmap towards creating the battalion. In May, the Ministerial Committee approved the Political Guidance of the Baltic States Defence Ministers for the Formation of a Multinational Battalion (Baltic Battalion) in NRF-14. Progress was further cemented with a Memorandum of Understanding signed by the Baltic Ministers of Defence in September, which details the principles and obligations of each state in the NRF-14 Baltic battalion. Finally, an interim allocation of positions in Baltic battalion HQ was confirmed and an interim training and exercise directive approved in October. Additionally, during the past year four meetings of the Joint Military Working Group, which coordinates the creation of the battalion and prepares necessary documents, took place.

Cooperation also continued within the frameworks of the BALTRON mine hunter squadron, the Baltic Defence College and joint defence procurements. The latter was manifested in the joint procurement of anti-tank ammunition from Sweden's SAAB-Bofors. Finally, in September the Annual Baltic Conference of Defence held in cooperation of the Ministries of Defence of the Baltic countries successfully looked at the topic "NATO in Afghanistan – facing the shortfalls, measuring the success".

4. Progress in Estonian outreach policy

Estonia's outreach policy continued to expand with new projects and initiatives aimed at supporting the recipients in rebuilding and reforming their respective countries. Estonian policy is defined by the concept of prioritized target countries, which by taking into account Estonia's security and defence policy and willingness to cooperate are designated as our preferred outreach partners. In 2007, these countries included Afghanistan, Ukraine, Georgia and Moldova. A strong argument in Estonian outreach policy is that in addition to participation in military operations, it is very important to help new democratic countries as they democratize and modernize their societies.

In Afghanistan, Estonia provided financial aid for reconstruction and helped the Bost hospital in Helmand province with highly needed medical equipment. Medical cooperation is expected to grow in the future and in 2008 it will continue with more equipment and financial aid being delivered to Afghanistan. To make this process easier, preparations were made in 2007 to send an Estonian medical expert to the Laskar Gah Provincial Reconstruction Team where the Bost hospital is located. Estonian subject matter expert will complement the Estonian civil official from the Ministry of Defence who is already working with ISAF in Afghanistan in the field of improving parliamentary relations between the Ministry of Defence and the parliament.

In the Caucasus region, Estonia's focus is on supporting the nations of Georgia and Ukraine. In 2007, eight projects in different fields, including defence planning and IT, were completed in Georgia. In Ukraine, Estonia provided advice and know-how aimed at strengthening the principle of civilian control in the process of security reform. Furthermore, as a strong proponent of open door policy, Estonia continues to welcome progress in countries that are aspiring to join NATO. Throughout 2007 Estonia continued to support the initiative to give the Membership Action Plan to Georgia and Ukraine, as well as invite Croatia, Albania and Macedonia to join NATO at the 2008 Bucharest summit.

5. Prospects in domestic defence and security

Compared to the previous year, the 2007 Estonian defence budget increased about 34% to a total of EEK 4.061 billion (EUR 260 million). This amounts to 1.62% of the GDP, which takes Estonia closer to the NATO benchmark (unofficially recommended 2% of the GDP). The fact that the Estonian economy was experiencing rapid growth throughout 2007 made reaching desired level of defence expenditures rather difficult.

Nationally, several significant developments took place, most notably in defence investments and procurements. In September, the Estonian Navy received the first of the three Sandown-class mine hunters procured from the United Kingdom. The other two vessels will be delivered in 2008 and 2009. These ships will strengthen the Estonian Navy's mine-hunting capabilities, which have been used in the NRF framework as well as in Baltic maritime cooperation.

In August, repair and renovation work was completed on two piers of the Tallinn naval port. The port is an important part of Estonian as well as NATO capabilities in the Baltic region by providing military ships with a specialized harbour. The second large investment project that was officially announced was the modernization of Amari Air Base near Tallinn. The aim of the project is to completely renovate the airfield and its supporting infrastructure, thus making it possible for the air base to function as a fully NATO interoperable airfield in the future. During 2007, procurements for the engineering projects for the maintenance complex and fuel station were made and the project for the landing and taxing area was approved. This is the first time for Estonia to cooperate in such a project with the Alliance. In the case of Amari, this will happen through the NATO Security Investment Programme, which will contribute a part of the funding necessary for the modernization of the air base.

Also of note are two documents that are going to have a strong impact on the future of Estonian defence policy. First, legislation on the status of the Estonian defence forces reached its final stages of drafting and will most probably be ratified in the parliament during the first half of 2008. This legislation will regulate three areas that have so far caused some misunderstanding in Estonian defence regulation – legal status of the defence forces, leadership of the defence forces and status of military intelligence. Among other things, the legislation will regulate the chain of command in the defence forces, and also define the legal basis, purpose and institutional position of the defence forces' military intelligence department.

Secondly, in 2007 the Estonian Ministry of Defence began the process of drawing up a Estonian Defence Forces 10-year development plan. As the current development plan time horizon extends until 2010, there is a clear need for an updated and further-reaching document, which takes into account changes in the security environment in the recent years. The main goal of the 10-year development plan is to harmonize the national and NATO defence planning cycles as well as to define long-term goals for development of defence forces. When ready, the development plan will define the long-term outlook on Estonian security and defence.

Conclusion

From the Estonian security and defence point of view, 2007 was a year of many new initiatives and projects, a year of success, but also of new security issues. From the perspective of cyber security, 2007 could be called a “year of no return”, which will mark the rising importance of this topic and its increasing prevalence in global security.

Estonian troops continued to successfully participate in international operations. This readiness is further reinforced by our participation in the EU Nordic Battlegroup and preparations for a NRF-14 Baltic battalion. In the light of the international and domestic developments of the past year, we can remain positive that the successes which we saw in 2007 will continue in the coming years.

Latvia's Security and Defence Policy in 2007/2008

The development of a new State Defence Concept, the redeployment of Latvian forces and gradual increase in Afghanistan were among the most important events in the Latvian defence policy in 2007 and the beginning of 2008.

The collective defence guarantees provided by NATO and participation in the European Security and Defence Policy continued to be a stable basis for the Latvian security and defence. As a member of NATO and the EU Latvia is provided with greater security, but at the same time it remains open to new security environment and new threats. To improve Latvia's ability to stand against the new threats and adapt the Latvian defence system to new tasks the Ministry of Defence developed the new State Defence Concept.

Furthermore, Latvia steadily continued to improve its military capabilities by participating in the NATO Response Force and preparing rapid reaction units to participation in EU Battlegroups. It was also important to evaluate first lessons-learned from the transit to the professional armed forces and to continue modernisation of the armed forces. Latvia also continued to fulfil its operational commitments and provide assistance to NATO partner countries in defence sector reform process. Important decisions were taken regarding the host nation support for the NATO air policing mission and a policy paper "The Baltic View on the Way Ahead on NATO Air Policing Mission in the Baltic States" was endorsed.

In the follow-on chapters we would like to present a short overview of these and other important events in the Latvian defence policy.

1. State Defence Concept

The Ministry of Defence has developed the new State Defence Concept that was approved by the government on May 20th, 2008*. It is prepared in accordance with Latvia's geopolitical situation, national security and foreign policy objectives, and Latvia's commitments *vis-à-vis* NATO and the EU.

* According to the National Security Law the State Defence Concept has to be approved by the parliament (*Saeima*). It is expected that the concept will come into force by October 2008.

The concept defines strategic principles of the Latvian defence policy and Latvia's role in international security environment. The concept serves as the basis for the planning guidelines for the development of the National Armed Forces (hereinafter NAF).

Strengthening Latvia's military capabilities, NATO's collective defence principle and military cooperation with allied nations is fundamental in ensuring national security and defence. Military cooperation with the Baltic countries, the Nordic countries and the USA, which will continue to be an important strategic partner for Latvia in the future, is important in facilitating security of Latvia and the whole region.

The concept focuses on capabilities-based planning setting for the NAF (a) specific requirements for military capabilities, e.g. efficiency, deployability, multifunctionality, information superiority, and (b) specific directions of development, e.g. professionalization, modernization, deployable capabilities. It states that the total number of personnel in the NAF shall not exceed 20000, of whom 5800 are professional soldiers and the others are National Guard' members, military and civilian employees.

To improve Latvia's participation in international operations, the Concept determines that in mid-term not less than 8% of NAF personnel shall be permanently deployed in areas of operations, comprising 450 soldiers in total. Not less than 40% of the total NAF personnel should be prepared for participation in operations led by NATO, the EU and other international organizations. In mid-term, the NAF must develop the capability to deploy and permanently sustain one platoon-level unit in area of operations 15000 km from Latvia's borders, one company-level unit at a distance of 5000 km, and two company-level unites with integrated combat support and combat service support capabilities at a distance of 3000 km. Furthermore, the article on defence resources states that funding for defence shall be allocated to the amount of 2% of GDP.

2. Development of the National Armed Forces

The decision on transition to professional armed forces has proved to be a success story and has considerably improved Latvia's military capabilities and ability to fulfil national defence tasks. Nevertheless, the modernization of the NAF is still ongoing and is focused to professionally-trained,

flexible, well-equipped armed forces that are able effectively to cooperate within NATO and EU units.

Development of professional armed forces has also brought some challenges. The decrease of birth rate in early 90's has imposed additional constraint today and in near future. Since there is no compulsory military service, the NAF is making great efforts to be able to recruit and motivate best possible candidates. Taking into account that a competitive salary is one of main motivational factors and in order to ensure long-term competitiveness in the labour market and thereby be able to recruit the required number of personnel for national defence, in 2007 the government has increased salary of soldiers by up to 70%, of higher ranked personnel approximately by 30%. Participation in international operations is better rewarded as well.

To ensure the link with society, role of the National Guard – a voluntary military public self-defence formation – has become even more important. The National Guard participated in dozen rescue and disaster relief operations, thus providing visible presence and credibility for citizens. Altogether the National Guard consisted of more than ten thousand volunteers. The National Guard also continued to develop capabilities needed for Latvia's participation in international operations and to ensure host nation support. Thus, the National Guard becomes a significant support for national defence and for fulfilling Latvia's commitments as regards NATO and the EU.

Latvia continued to develop capabilities needed for international operations. Latvia considers the NATO Response Force (NRF) as one of the most important tools for the development of NATO's expeditionary capabilities. The NRF should be at the core of the NATO's Article 5 guarantees and an important tool being used as a quick response to crises. Latvia's contribution to the NRF in 2007 was a Military police unit that participated in the 8th rotation of the NRF.

One of the main challenges in the upcoming years for Latvia and also for the other Baltic states will be participation in 14th rotation of the NRF * – the first half of 2010. The Baltic states have already signed a Memorandum

* Latvia plans to participate with 310 soldiers coming from different NAF units.

of Understanding to start the preparation process for our common rotation. These common Baltic states' efforts will be a "vehicle" for both transformation of the Latvian Armed Forces and ever closer cooperation among the three Baltic states.

Latvia also continued multinational consultations on the establishment of the German-Latvian-Lithuanian-Polish-Slovak EU Battlegroup for stand-by period in the first semester 2010. Poland is the framework nation of this Battlegroup. Latvia's contribution to the Battlegroup is staff officers (13 soldiers), an Explosive Ordinance Disposal platoon (18 soldiers), a Military Police platoon (34 soldiers), and a national support element (6 soldiers) – in total 71 soldiers.

Initial consultations with all nations started in February 2005. Approaching the stand-by period, in the 2007 Polish-led Battlegroup nations worked on logistics, legal and operational aspects of the Battlegroup, including training and certification programme.

The gradually increasing defence budget – reaching 1.79% of GDP (EUR 357 mln.) in 2007 – provided a solid basis for continuous development of Latvia's defence capabilities.

Some of the most important modernisation projects were the development of sea patrol vessels and the NAF communication system. The Ministry of Defence also continued to develop the military airport in Lielvarde and the sea surveillance system. In 2008 these ongoing projects will be continued. Furthermore, Latvia will begin mechanization of land forces by acquiring armoured vehicles and the Naval Forces will be strengthened with additional countermine vessels.

3. Participation in international operations

Being a member of NATO and the EU gives greater security and also requires greater responsibilities. In order to contribute to international security and stability Latvia has participated in several international operations. Participation in operations demonstrated that Latvia is ready to take part in burden-sharing. It also gave an opportunity to test whether the theoretical knowledge and practical skills acquired during training are suited for real-life armed conflicts.

Throughout the year 2007, Latvia has participated in international operations altogether with 344 soldiers, but by the end of the year 97 Latvian soldiers were deployed in the NATO-led operation in Afghanistan (International Security Assistance Force, ISAF) that is Latvia's operational priority. Latvia also continued participation in three other international operations – the NATO-led operation in Kosovo KFOR with 19 soldiers, Multinational operation Iraqi Freedom with three soldiers and the EU-led operation in Bosnia and Herzegovina EUFOR ALTHEA with two soldiers.

Recognising the need for comprehensive solutions in Afghanistan, Latvia has approved a comprehensive strategy for military and civilian involvement in Afghanistan for the period of 2007 to 2013 that defines Latvia's further civil-military involvement in Afghanistan.

3.1 Afghanistan

Latvia increased its contingent in Afghanistan almost three times – from 36 in 2006 to 97 soldiers in 2007. Altogether, 172 Latvian soldiers were deployed to Afghanistan. The contingent consisted of explosive ordnance disposal specialists, staff officers, force protection personnel and a military observation team. Most Latvian soldiers were located in the Norway-led Provincial reconstruction team in Meymana. Additional support was provided by three civilian experts – one political and two police advisers. Latvia also started its first civilian reconstruction project that aimed at providing several thousands of Afghans with clean water resources. It is planned that Latvia will increase its contribution to approximately 150 soldiers involving National Guard by participating in an Operational Mentor and Liaison Team in the second part of 2008.

3.2 Kosovo

Latvia's contribution to the NATO-led Kosovo Force (KFOR) was 34 soldiers in 2007. Taking into account still unstable political and military situation in Kosovo, Latvia plans to keep its contribution at the same level. The main tasks of Latvian soldiers will be maintaining public order and supporting the operation's headquarters.

3.3 Iraq

Latvia transferred the responsibility for security in its controlled area to Iraqi national forces in the beginning of 2007. Therefore for the most part the Latvian contingent (more than 100 soldiers) left Iraq. Only three soldiers remained and continued to fulfil their tasks in the operation's headquarters.

3.4 Bosnia and Herzegovina

The NATO-led operation in Bosnia and Herzegovina became the first Latvian international operation back in 1996. Latvia contributed to the EU-led operation EUFOR ALTHEA with two soldiers in operation's headquarters in 2007 and it is planned to maintain the same contribution till the end of the operation.

4. Air policing

The NATO air policing mission in the Baltic states has been the most visible proof for collective defence guarantees provided by the Alliance since Latvia joined it. Taking into account that the Baltic states are not yet able to guarantee security of their air space by own means, NATO has agreed to conduct the air policing mission till 2011 by revising the decision in 2009. The air policing mission demonstrates solidarity of the Allies and allows Latvia to pursue development of deployable capabilities needed for the Alliance's operations.

The NATO air policing mission related expenses which involve host nation support to the NATO air policing mission contributing countries are shared by the three Baltic states. In 2007, the important decisions regarding host nation support were taken. The Baltic states have agreed to cover accommodations costs of the contributing contingents starting with January 1st, 2008. The Baltic states will provide assistance in personnel and equipment deployment-related activities from January 1st, 2010.

On January 12th, 2007, Estonian, Latvian and Lithuanian Ministers of Defence endorsed policy paper "The Baltic View on the Way Ahead on NATO Air Policing Mission in the Baltic States" in which they agreed to

seek the continuation of the current NATO air policing mission until 2018 and jointly explore all possible options for air policing after 2018.

The Common Political Guidance for conducting a common Baltic states' analysis for air policing in the post 2018 period was approved by the Estonian, Latvian and Lithuanian Ministers of Defence at the end of May 2008. The Political Guidance defines level of ambition and sets a framework for conducting a common analysis of options for air policing in the Baltic states after 2018. It is defined that our level of ambition for air policing beyond 2018 is to have solution which meets all NATO standards in the airspace of each of the Baltic states and is an integral part of the NATO Integrated Air Defence system, and adheres to the principle of the collective security of the Alliance. It is significant that Air Policing aircrafts have to be deployed on the territory of the Baltic states.

5. Bilateral defence cooperation

Latvia continued cooperation with its traditional partners in the field of security – the USA, the Baltic states and other regional partners of whom enhanced cooperation with Norway plays a central role. The signed Memorandum of Understanding between Norway and Latvia last autumn serves as a good basis for intensified cooperation in the field of defence planning, support and logistics, operational issues, as well as between the three services of the Latvian NAF and the Norwegian Armed Forces.

New forms and fields of cooperation are being developed. In cooperation with the USA, as the main strategic partner in the field of defence, Latvia is developing the Operational Mentor and Liaison Team which will be deployed in Afghanistan to train the Afghan National Army later this year.

The cooperation in the framework of the Baltic states continues within the existing projects: BALTDEFCOL, BALTRON, BALTNET etc., at the same time Baltic experts are also looking for new fields of cooperation that would bring it forward in accordance to national defence policy and planning objectives, simultaneously enhancing efficient use of financial resources. As it was mentioned earlier, a good example of continuing close cooperation is the formation of a common battalion for participation in the 14th rotation of the NRF.

5.1 Security assistance policy

Latvia's own experience in implementing the security sector reforms and successful accession talks with NATO have given experience that allows assisting other nations wishing to undergo similar reform process and integrate into the Euro-Atlantic structures. Latvia has established intensive co-operation with the South Caucasus countries, especially Georgia, as well as Moldova and Ukraine. Projects of smaller scale have also been developed with the Western Balkans.

While maintaining traditional bilateral co-operation, the Ministry of Defence has developed additional co-operation in the three main directions: (1) training of partnering countries personnel (Baltic Diving Centre, Baltic Defence College, on the job training etc); (2) consultations for partnering countries' defence experts in different areas (PR, personnel, logistics, resources etc); (3) strengthening military capabilities (donating, equipment, contributing to NATO/PfP Trust Funds etc). During the recent year Latvia has accredited defence attaché to: (1) Georgia and Azerbaijan with residence in Tbilisi, (2) Ukraine and Moldova, with residence in Kiev and (3) Armenia, with residence in Moscow. Non-residential advisers have been appointed to Georgia and Moldova.

Latvia is also actively engaged in different multilateral assistance formats, such as the Nordic-Baltic Sector Reform Initiative (NBI) and the South Caucasus and Moldova Clearing House (SCMCH). The focus of the NBI assistance is more concentrated towards Ukraine and Western Balkans, whereas the SCMCH as an international donor forum enhanced better coordination of international assistance efforts for Armenia, Azerbaijan, Georgia and Moldova. Latvia continues to value the international assistance coordination mechanisms and took over the Chairmanship for the SCMCH also in 2008.

Latvia continued cooperation with South East European countries. In the framework of the Baltic-Adriatic initiative political dialogue and cooperation in defence sector reforms was continued on several levels, which were ranging from specific experts meetings to defence ministers. Recognizing the successful defence transformation process and fulfilment of the Membership Action Plan, Latvia actively supported Croatia's, Albania's and Macedonia's efforts to join NATO. It is planned that after

their accession to NATO their cooperation with Latvia will be strengthened in driver training, environmental protection, military education, training and legal issues.

Conclusion

The successful participation in the major international NATO- and EU-led operations, including increased military and civilian contribution to facilitate further reconstruction and stabilization in Afghanistan are among the achievements of the Latvian security and defence policy. The development of the new State Defence Concept will stipulate mid-term and long-term guidelines for fulfilling national and also collective defence tasks. Additionally, achievements in the development of the NAF have greatly improved Latvia's ability to stand against new threats. Assuming co-responsibility for ensuring security in the Euro-Atlantic area, Latvia actively participates in strengthening international security, which is simultaneously an investment to the Latvian security. An important part of this process is our support to partnering countries in implementing defence reforms.

Defence Policy of Lithuania in 2007

Defence policy activities of Lithuania in 2007 were continuously concentrated in building a secure and stable environment and ensuring a reliable defence. NATO was a key instrument to keep transatlantic security links and European security relationships undamaged and fortified. The EU security and defence policy was paramount in building security and stability in and around Europe.

Some developments, which occurred in our security environment, have influenced our defence policy. Decisions concerning future deployment of the U.S. missile defence elements in Europe were discussed, raising the issue of NATO missile defence among the others at the top of the Alliance agenda as well. Cyber-attacks against Estonia last year showed a danger of the non-traditional threats, which hardly can be responded and mitigated by traditional conventional means. Russia's unilateral moratorium on CFE treaty undermined conventional arms control regime in Europe and diminished overall confidence in the region. However, we expect the disagreements regarding the CFE treaty will be resolved and mutual consensus between NATO and Russia achieved.

Lithuania maintained a close working relationship within NATO, the EU and with partners, developing and implementing its defence policy while contributing to the resolution of the pressing international security issues around the globe.

Several defence policy issues were of particular significance for Lithuania in 2007: NATO Air Policing policy and mission in the Baltic countries, active participation in NATO and the EU initiatives and international operations, transformation and strengthening capabilities of the Armed Forces, and partnerships.

1. NATO and the EU initiatives in Lithuania's defence policy agenda

While NATO is in the transformation process as responding to the security challenges of the 21st century, Lithuania keeps stressing that the collective defence commitment is the first and foremost important principle of NATO. Therefore, Lithuania supports the development of NATO defence

capabilities, specifically those, which are launched to establish and maintain common assets.

The development of the NATO's Response Force (NRF) is a keystone element in the Alliance deployable capability package, and a driving force of Lithuania's Armed Forces transformation as well. In 2007, Lithuania has contributed to the NRF by assigning one mine countermeasures vessel and staff officers from the Special Operation Forces. In 2008, Lithuania will offer a Special Operation Forces squadron, a Water Purification Unit, and a Joint Airport Support Unit for Air Control Command. In 2010, Lithuania plans to prepare a 420-strong land forces unit within joint Baltic battalion.

The C17 airlift capability initiative, which, when implemented, will provide a strategic airlift capability for NATO is a sound example of sharing responsibility among nations in formation of the new common assets. Lithuania in team with other supporting nations is ready to procure and deliver this capability for the Alliance and national needs.

Cyber-attacks against Estonia last year sent a strong signal for a comprehensive revision concerning the security of the national and NATO communication and information systems. Lithuania actively supported the drafting and adoption of the NATO Cyber defence policy, and now participates in the development of the NATO cyber defence capability. Lithuania is closely involved in the establishment process of the Cooperative Cyber Defence Centre of Excellence in Tallinn, Estonia, and, as a Sponsoring Nation, will assign one military staff officer to this Centre. Lithuania is convinced the Cooperative Cyber Defence Centre of Excellence will enhance its national and NATO cyber defence capabilities.

Riga Summit's tasking on energy security served as a basis for the intensive and protracted discussions on NATO's role in energy security field. Lithuania was actively engaged in these discussions supporting not merely NATO's involvement in military and civil protection activities of the vital energy infrastructure and sea lines of communication but also a political role NATO might be able to take. Lithuania is determined to stay active in promoting NATO engagement in this field, specifically encouraging the development of the appropriate NATO capabilities.

The discussions concerning NATO's future missile defence system, including theatre level, is all about NATO's defence credibility and unity of effort. Lithuania is sure that the deployment of U.S. missile defence system elements in Europe will serve positively in two aspects. Firstly, the presence of the U.S. elements in Europe will encourage the development of the NATO missile defence system. Secondly, the transatlantic link would be fortified by real European participation in this important project.

Lithuania maintained its active involvement in the EU security and defence policy, particularly supporting the initiatives for the development of the civil and military capabilities, including those launched by the European Defence Agency. Lithuania continued its preparation to participate in the common EU Battlegroup with Poland, Germany, Slovakia and Latvia, which has to reach its stand-by position in the first half of 2010. Currently, Lithuania is planning to assign to this Battlegroup a company size unit.

2. Air policing in the Baltic states: major developments

Future of NATO Air Policing mission in the Baltic countries was one of the forefront issues in the defence policy agenda of Lithuania. Lithuania with Latvia and Estonia is seeking the continuation of the NATO Air Policing mission at least until 2018. Also, Baltic countries agreed to explore jointly all possible options for NATO Air Policing beyond 2018, including acquisition of their own capabilities.

In 2007, the North Atlantic Council endorsed the decision to continue NATO Air Policing in the Baltic states until the end of 2011. On their side, Lithuania, Latvia and Estonia made important steps facilitating the execution of the NATO Air Policing mission. Accordingly, it was decided to enhance the Host Nation Support arrangements for the Allies, participating in the NATO Air Policing mission.

3. Transformation and strengthening capabilities of the Armed Forces of Lithuania

In 2007, Lithuania approved the Guidelines of the Armed Forces Transformation. In general, for Lithuania the vision of the Armed Forces implies new operating concepts, organizations, new technology, which will change the way in which the Armed Forces have traditionally operated,

and, most importantly, the willingness to try different ways of approaching problems. In particular, the approved guidelines have discerned areas requiring reorganisation in the Armed Forces of Lithuania, have set the timelines for the reorganisation and expected results.

Transformation of the Armed Forces of Lithuania is a comprehensive and coherent process. It set ambitious targets for the Armed Forces and encompasses different areas of the Lithuanian Armed Forces activities, such as personnel policy, doctrines, logistics, structure and etc.

The transformed Armed Forces of Lithuania will consist of fully professional military personnel. In the spring of 2008, Seimas of the Republic of Lithuania (the Parliament) adopted the Resolution on the Principles of Organization of the Armed Forces of Lithuania. The Resolution noted that it was worthwhile to move to the Armed Forces based on the professional military service and volunteer military service. However, it was pointed out that the mandatory military service institution, according to the Constitution of the Republic of Lithuania, should be preserved in case of mobilization. Thereby conscription as a primary mandatory military service including basic military training is not abolished; rather it is suspended and might be restored upon a decision of the Parliament. Each year the Parliament should decide on the necessity of the primary mandatory military service and conscript numbers. It reflects a cautious approach taking into account hardly predictable security environment trends in the region.

The establishment of the Joint Headquarters of the Armed Forces is one of the most significant transformation projects. Joint HQ has been recently established; it is presumed that it should be fully operational in the second half of 2008. A project team has been established to work out a detailed design of the Joint HQ and streamline the overall operational planning process that would help to enhance operational Armed Forces capabilities and more effective employment of forces.

Lithuania continues working hard towards the envisioned integration of the Ministry of National Defence and Defence Staff. When accomplished, it would really help us to streamline strategic level management processes, and develop tight civil-military horizontal relationships in various defence

management areas, rejuvenating and complementing the whole transformation process.

In parallel with the transformation process, Lithuania continued improving military capabilities of its Armed Forces. Much effort was devoted to the preparation of the much-needed combat support units of the deployable infantry battalion, which is a part of the motorized infantry brigade. Two years back the Motorized Infantry Brigade “Iron Wolf” was affiliated to a Land Forces division of Denmark. Thus, Lithuania continued participation in the interoperability enhancing exercises within the Danish division, which gives us prime experience of acting in the framework of larger military units.

Special Operation Forces were developed and trained further in order to carry out special military operations, including counter-terrorist operations and other missions with high readiness tasks beyond the territory of Lithuania when necessary. Special Operation Forces were granted a legal status of the separate service within the Armed Forces of Lithuania in April 2008. It is expected to achieve a more balanced development and employment of the Special Operation Forces as required.

Major defence procurement programmes in 2007 were planned and implemented, seeking to replace old armament of the Land Forces starting to acquire automatic rifles, antitank grenade launchers and ammunition, mine clearing and communication equipment, short-range air defence systems and cross-country vehicles. Air Force modernization programmes concentrated mainly on the improvement of the aircraft maintenance and airfield maintenance and support equipment. In 2007, Lithuania launched a very important Navy modernisation project. Based on the Lithuanian-Danish agreement, Lithuania will acquire two Flyvefisken class patrol crafts starting from 2008.

4. Partnerships

Since Lithuania is a full-fledged member of NATO and the EU, it welcomes membership aspirations expressed by some of the Eastern European countries and advance their integration into the Euro-Atlantic community. Lithuania continuously extends its support for Ukraine,

Georgia, also for Azerbaijan, Armenia and Moldova in their efforts to reform defence sectors and improve interoperability with NATO forces.

Lithuania acknowledges the Ukrainian efforts to proceed with the defence reform. Our financial and expertise contribution within the NATO assistance programmes for Ukraine has been enhanced. In the framework of the joint Nordic-Baltic Initiative for Ukraine, Lithuania provided professional expertise on public relations and legal matters. Lithuania continued to sponsor Ukrainian participants at the long-term English language training and the International Captain Course at the Lithuanian Military Academy. Also, Lithuania extended sponsorship of the Ukrainian student at the Baltic Defence College. On the other hand, we have received valuable support from Ukraine for our PRT activity in Afghanistan. Since 2007, Ukrainian military doctors serve in the Lithuania-led PRT in Ghowr province.

Lithuania is strongly backing Georgia's endeavours to proceed along the path of the Euro-Atlantic integration. Recognizing that it is not a short road to go, Lithuania is ready to consistently support Georgia in the future. Lithuania and Georgia have expanded their cooperation in 2007. Since the previous year, a Georgian military doctor serves alongside with Ukrainian colleagues in the Lithuania-led PRT in Afghanistan.

Lithuania continued to support Armenia and Azerbaijan and Georgia in the framework of the South Caucasus Clearing House, which is an important tool coordinating international and national assistance efforts. Since 2007, Moldova, backed by the efforts of Lithuania and NATO, has joined this format. The representatives of these countries continued to attend the International Captain, English language and Enlargement Experience courses at the Lithuanian Military Academy.

In 2007, Lithuania hosted a High-Level Meeting of the NATO-Russia Working Group on Defence Reform and Cooperation. Among the issues discussed were the questions of NATO's military transformation, Russia's military reform and future of the NATO-Russia defence cooperation. This event served in building upon the common interests while learning to accept NATO and Russia's differences.

6. Participation in international operations

In June 2007, the Lithuanian Parliament adopted the Resolution on Participation in International Operations. The provisions of the Resolution enable sending military units, including civilian personnel, to the Balkans, Central and South Asia, South Caucasus and Persian Gulf regions. Current resolution otherises participation of up to 420 military personnel in missions and operations abroad till the end of 2010.

In 2007, a total of 804 military personnel participated in international operations and missions, of which 629 in NATO and 175 in non-NATO led operations. The biggest engagement throughout 2007 has remained the operation in Afghanistan. Lithuania-led Provincial Reconstruction Team (PRT) in the Western province of Ghowr has taken the responsibility to enhance Afghan Government's reach by supporting its institutions and assisting their capacity-building and to establish secure and safe environment so that the development and reconstruction efforts could take place. Since 2005, when the PRT was established, a number of initiatives in security, rule of law, health care and education development sectors were implemented. One of the primary tasks of the PRT has remained the capacity-building and enhancement of efficiency and accountability of public administration and provincial security institutions. However, more active endeavours and balanced implementation of national development programmes by Afghan Government is required. Improvements of living standards, especially for those who maintain fragile stability and security, should be an important effort of Afghan authorities and international donors. The United Nations Assistance Mission's (UNAMA) wider outreach within the country is significant for tangible progress. Therefore, Lithuania delegated one military officer to the UNAMA.

While dealing with the security improvement issues in Western Afghanistan, Lithuania reacted to the capability shortfalls, which restrained overall NATO effort in South Afghanistan. Therefore, Lithuanian Special Operations squadron was deployed in the South in 2007.

Participation in the U.S.-led coalition in Iraq continued with an infantry unit and staff officers. Lithuania remained active in the NATO-led KFOR in Kosovo and EU ALTHEA mission in Bosnia and Herzegovina, rotating infantry units and staff officers. Lithuania is considering further

contributions to the build-up of the Kosovo Security Institutions, including Ministry of Defence, and is ready to send its experts in the framework of overall international assistance to Kosovo.

Lithuania demonstrated support for the EU efforts to improve security situation in Chad and Central African Republic. When an agreement to launch the EU operation on Chad was reached, Lithuania made a decision to assign two staff officers to the Operation Headquarters in France. Lithuania is also contributing with two officers to the United Nations Observer Mission in Georgia.