



DEFENCE FORCES REFORM CONCEPT

Briefing for the Defence Forces personnel
on 8 February 2012





Defence Forces Reform Concept

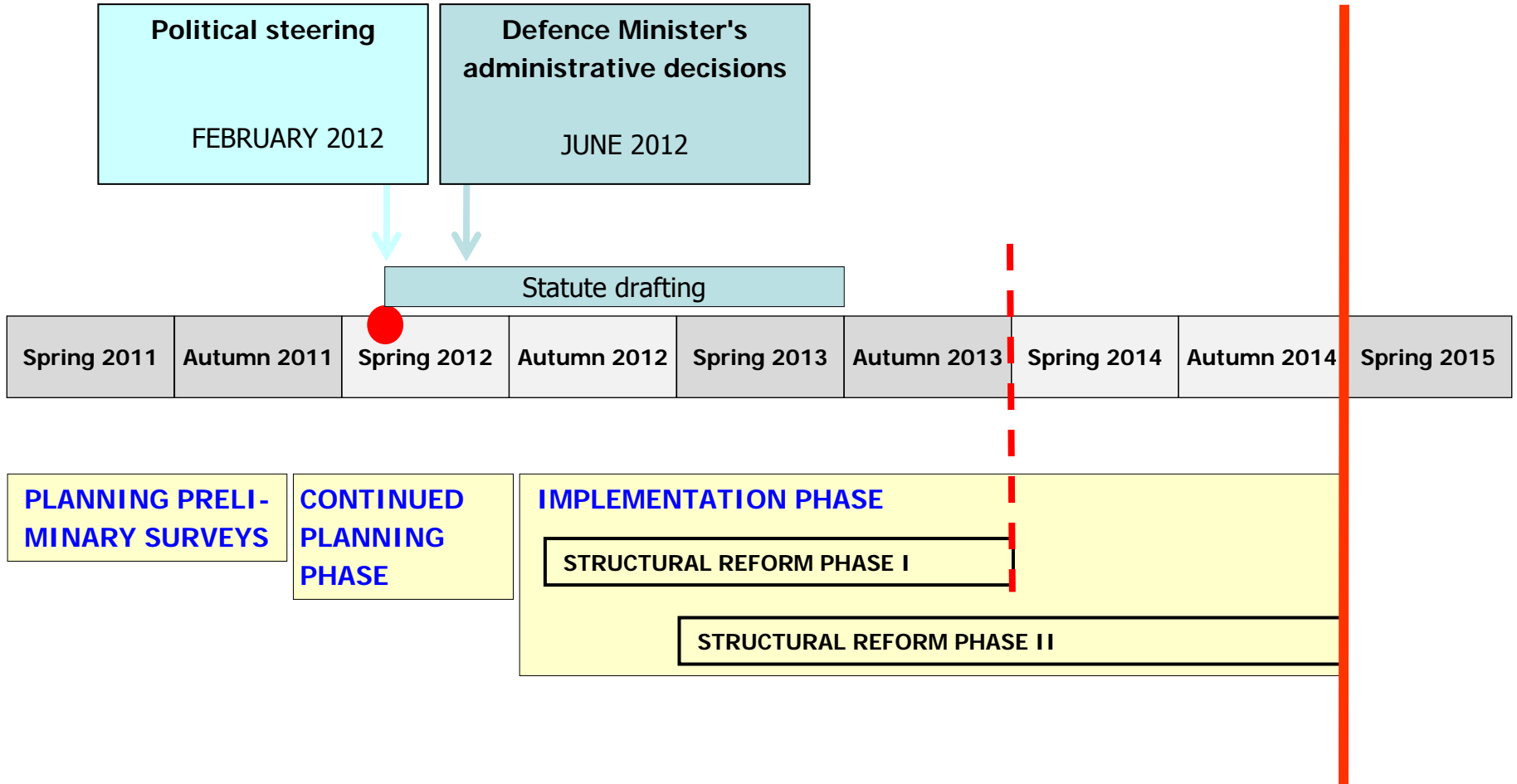
Structure of the presentation:

- **Points of departure**
 - **Stage of the Defence Forces Reform**
 - **Grounds for the reform and its objective**
- **The Defence Forces 2015 - basis for continued planning**
- **Implementation of the Defence Forces Reform**
- **Preliminary effects and follow-up schedule (according to administrative unit)**





Schedule of the Defence Forces Reform





Defence Forces Reform - Reasons and Objective

The need for reform is caused by:

- Smaller age groups
- Defence materiel becoming obsolete and more expensive
- Other rises in costs
- **There is not enough money to maintain a Defence Forces of the current size.**

- Simultaneous significant decrease in funding 2012-2015

The objective is:

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

Requirements

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





Decrease in Funding 2012-2015

Amounts according to price level of 2012	2012 € m	2013 € m	2014 € m	2015 € m	TOTAL € m
BUDGET CUTS (reference point 2011 appropriation framework)	45.8	120.7	174.4	234.4	575.3
EXPENDITURE AND COST PRESSURES					150
COSTS OF THE REFORM					100
					825.3
Expenditure structure imbalance					
Expenditure structure balance					

INEVITABLE MEASURES

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

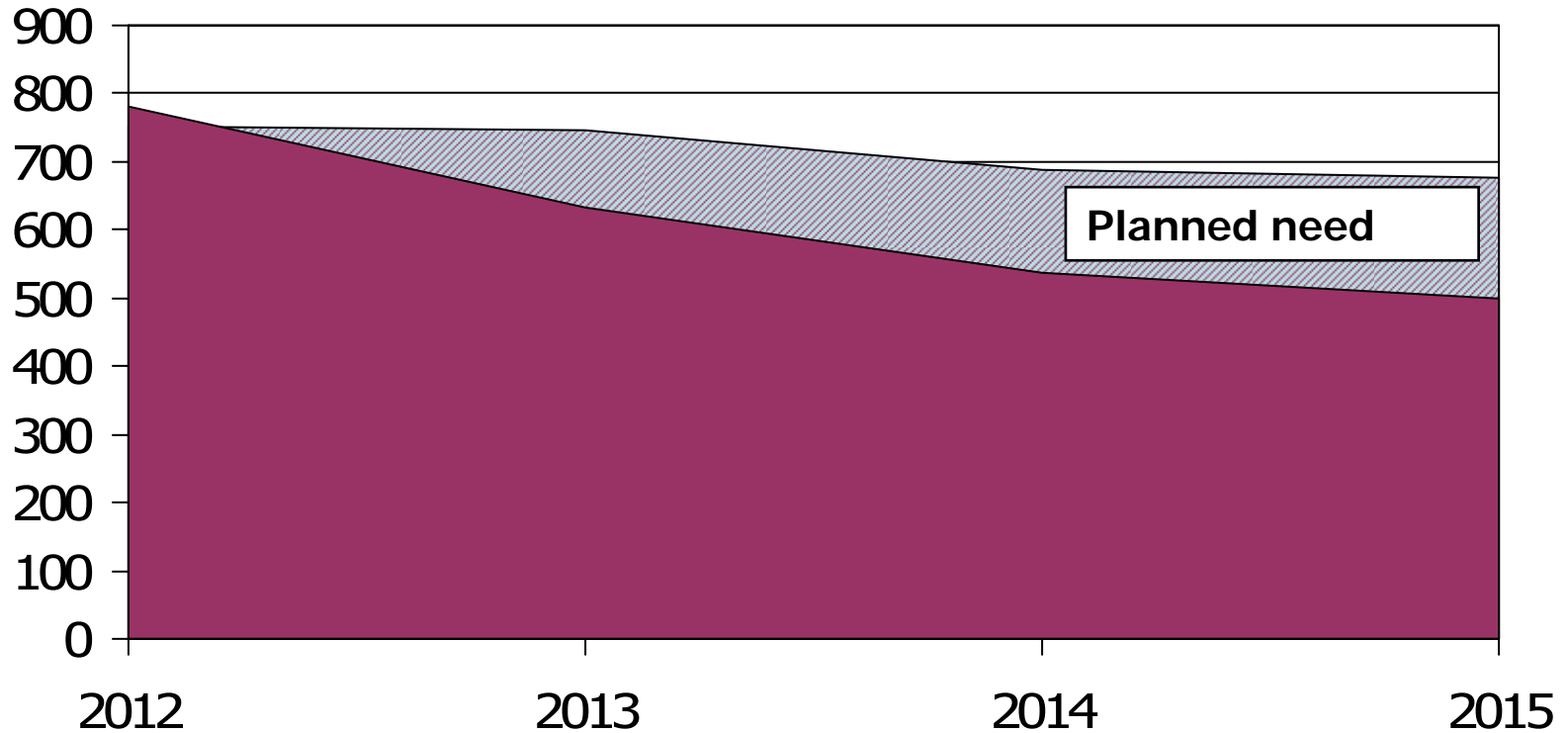
LASTING SAVINGS

- by reforming structures
- by decreasing materiel procurement





The Finnish Defence Forces 2015 Defence Materiel Investments



- Achieving balance in the structure of expenditure and a decrease in the level of financing requires a 25-30 percent cut to the current level of materiel investments
- All out-dated materiel cannot be replaced
- The development of the performance capacity of materiel will remain at a low level





The Defence Forces Reform - Grounds and Objective

Strategy

DEFENCE FORCES' SIZE AND ACTIVITIES IN BALANCE WITH FUNDING

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

DEVELOPED NETWORKING

Task

REDUCE SIZE OF DEFENCE FORCES

DECREASE LEVELS OF ORGANISATION

REORGANISE FUNCTIONS

DOWNSIZE AND REALLOCATE PERSONNEL

REORGANISE PRODUCTION OF SERVICES

UTILISE KNOWHOW OF THE REST OF SOCIETY EXTENSIVELY

STRENGTHEN VOLUNTARY NATIONAL DEFENCE

STRENGTHEN INTERNATIONAL COOPERATION

Result

DEFENCE FORCES' VIABILITY AND REALISATION OF TASKS IN THE FUTURE

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

REFORMED AND FLEXIBLE OPERATIONAL MODELS, INCREASED PRODUCTIVITY

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

ALL PARTIES BENEFIT, WIN-WIN

CONNECTION WITH CITIZENS, WILL TO DEFEND

BENEFITS OF INTERNATIONAL COOPERATION INCL. COST EFFICIENCY

CREDIBLE DEFENCE CAPABILITY IN PROPORTION WITH SECURITY





The Finnish Defence Forces 2015

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

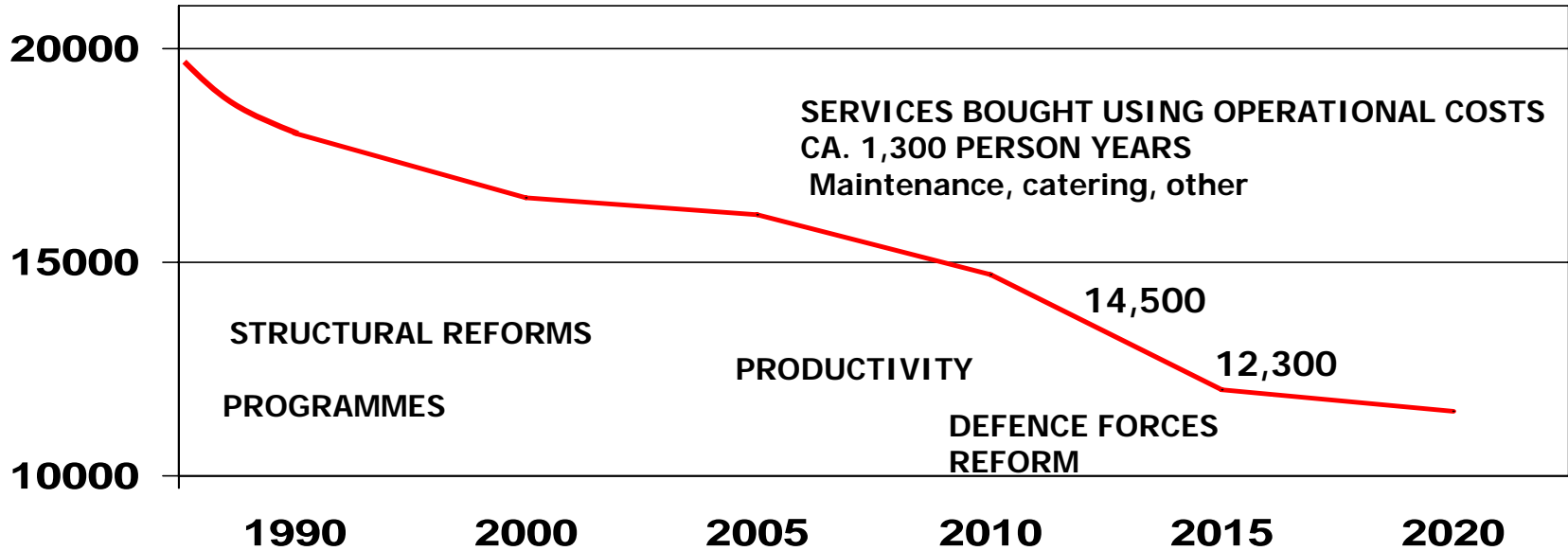
* 1 Jan. 2012 ca. 14,500

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





The Defence Forces 2015 – Basis for Continued Planning Personnel



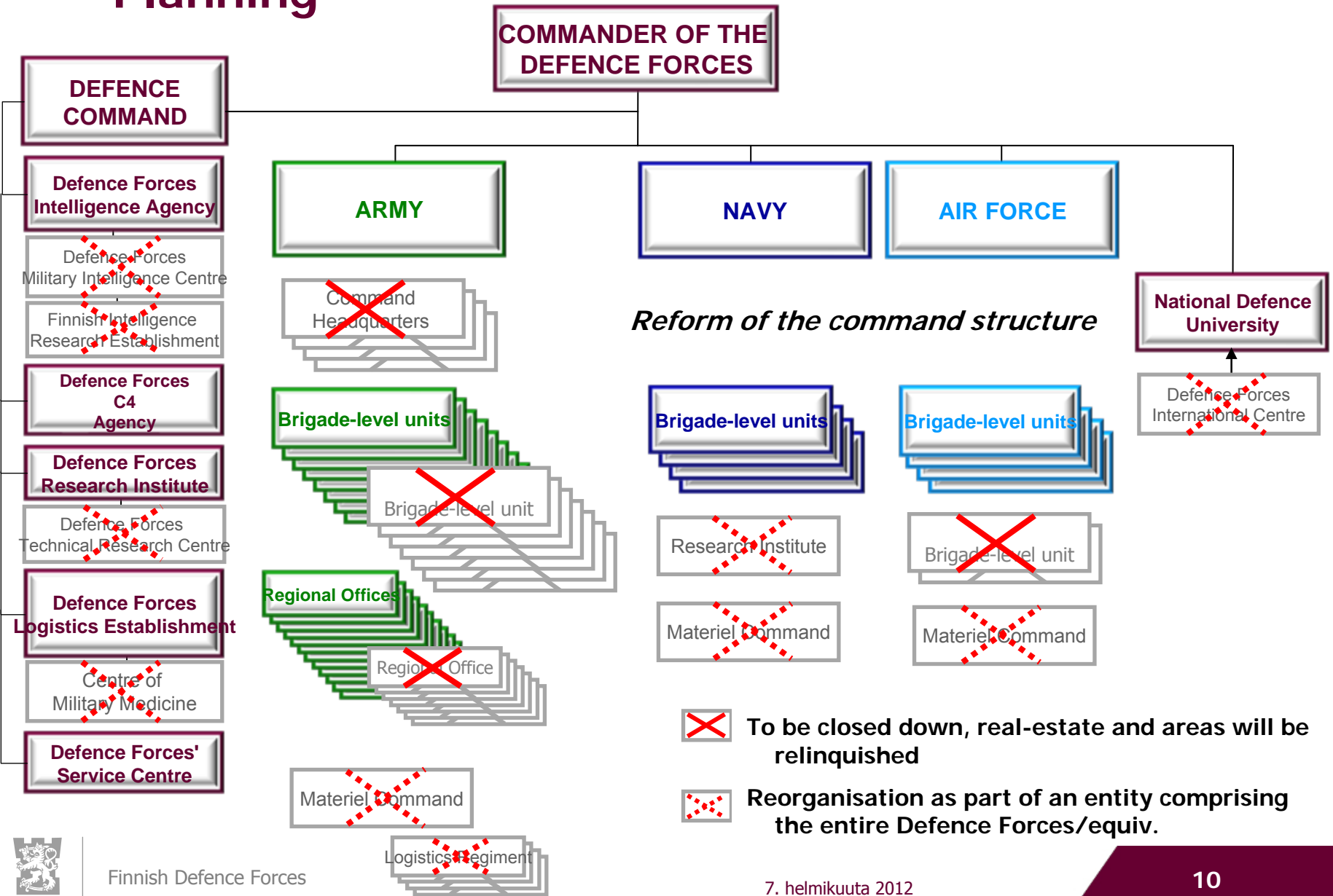
Need to decrease 2,200 (ca. 1,600 civilians, ca. 600 soldiers)

- Natural attrition
- Reorganisation of activities
- Other means
 - Relocation of personnel
 - Support further education/training
 - Public servants who have less than two years until their retirement
 - Redundancies





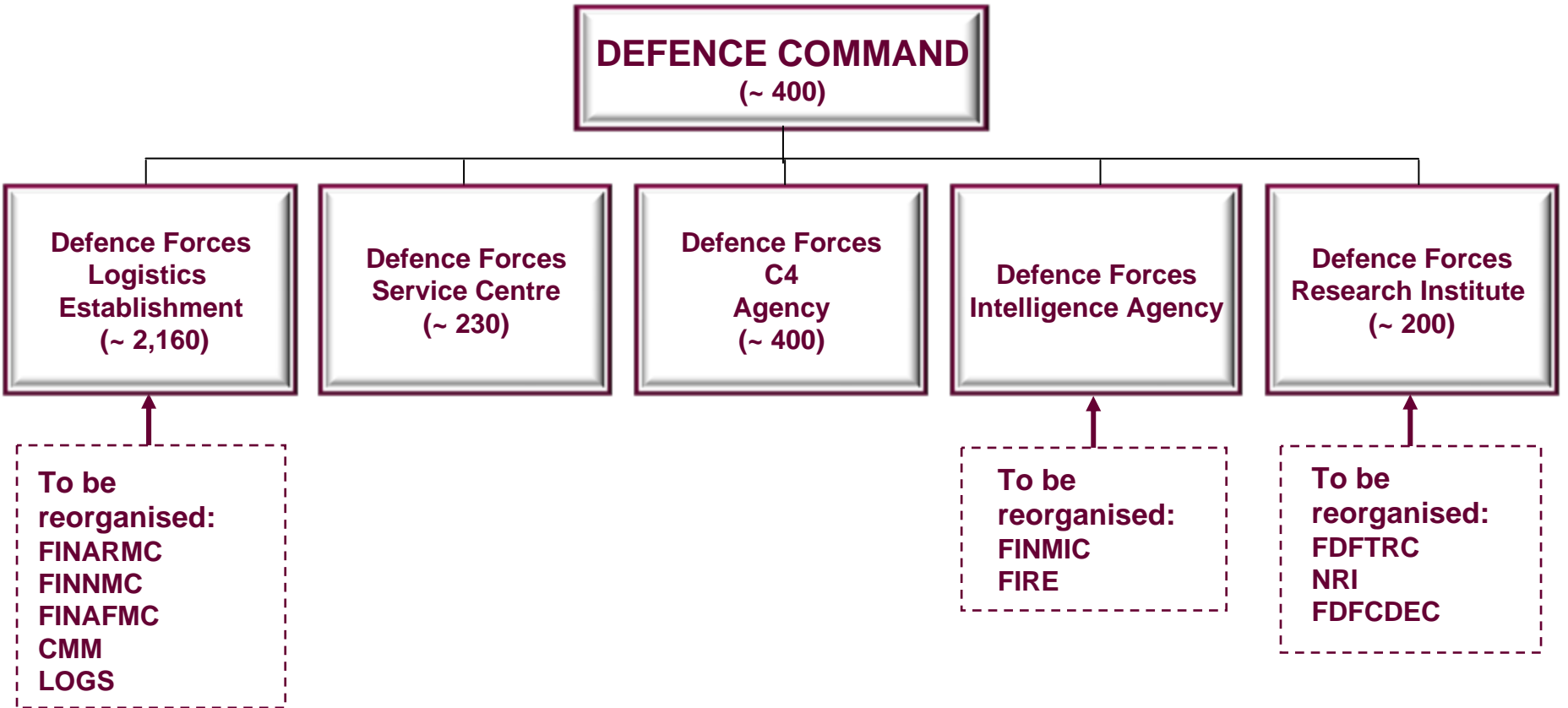
The Defence Forces 2015 - Basis for Continued Planning





The Defence Forces 2015 - Basis for Continued Planning

Defence Command and subordinate establishments





The Defence Forces 2015 - Basis for Continued Planning Logistics

DEFENCE COMMAND

Defence Forces' Logistics Establishment

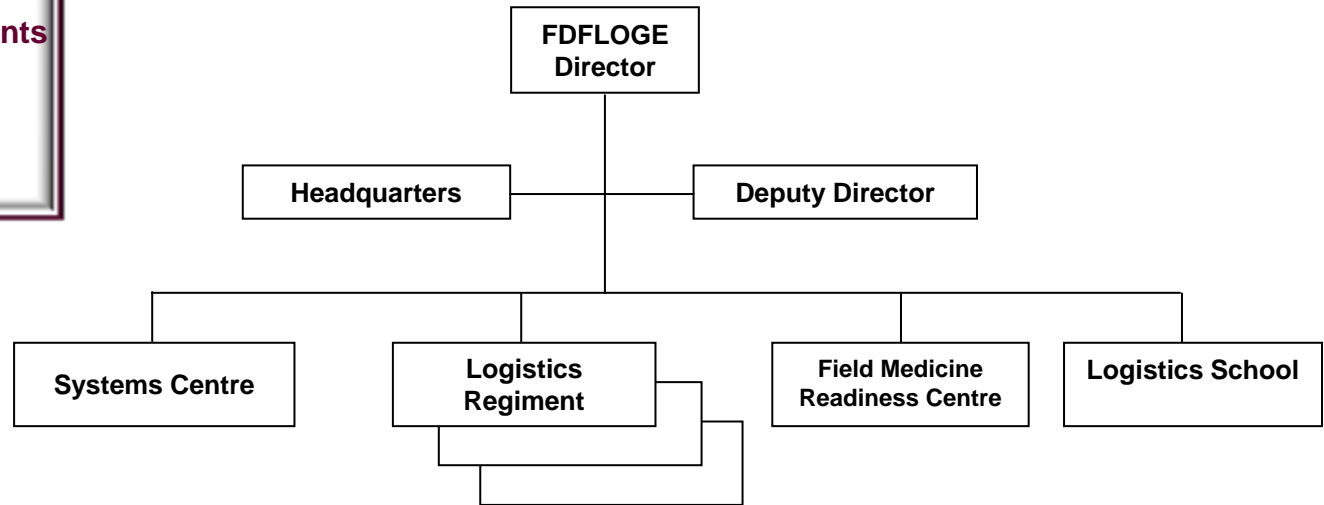
- Headquarters
- Systems Centre
- Reorganised Logistics Regiments
- Field Medicine Readiness Centre
- Logistics School

FINNISH DEFENCE FORCES LOGISTICS ESTABLISHMENT

- Logistics arrangements for the Defence Forces
- Logistics production and service structures corresponding to peace and wartime needs
- Defence Forces materiel procurement and other procurement
- Ownership of the Defence Forces' materiel
- Responsibility for systems and control of materiel lifespan

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FINARMC
FINNMC
FINAFMC
CMM
LOGS





The Defence Forces 2015 – Basis for Continued Planning

Defence Forces Service Centre

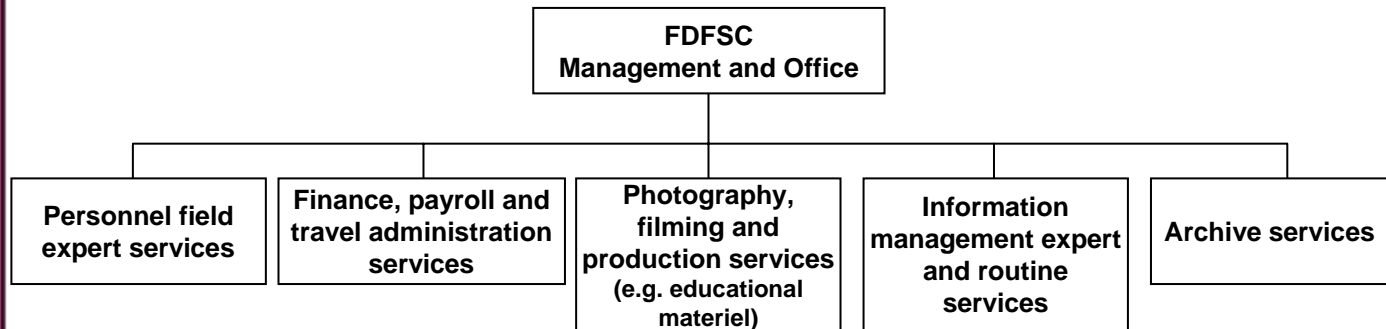
DEFENCE COMMAND

Defence Forces' Service Centre

- Personnel field expert services
- Finance, payroll and travel administration services
- Information management services
- Photography and filming services
- Production activities

Objectives:

- ensure the production of supporting services
- ensure the steering of services as an entity comprising the entire Defence Forces and consistent courses of action
- functional entities for service know-how
- cost savings





Grounds for Evaluation of the Brigade-level Unit Structure

Units providing conscript training

Main criteria

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

Other evaluation criteria

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



Basis for the new structure

16 Brigade-level units

- especially the readiness formations

Need to downsize

6 Brigade-level units

(3,000 training positions by the beginning of 2015)





The Defence Forces 2015 - Basis for Continued Planning

Army, brigade-level units

Army: (~ 4,580)

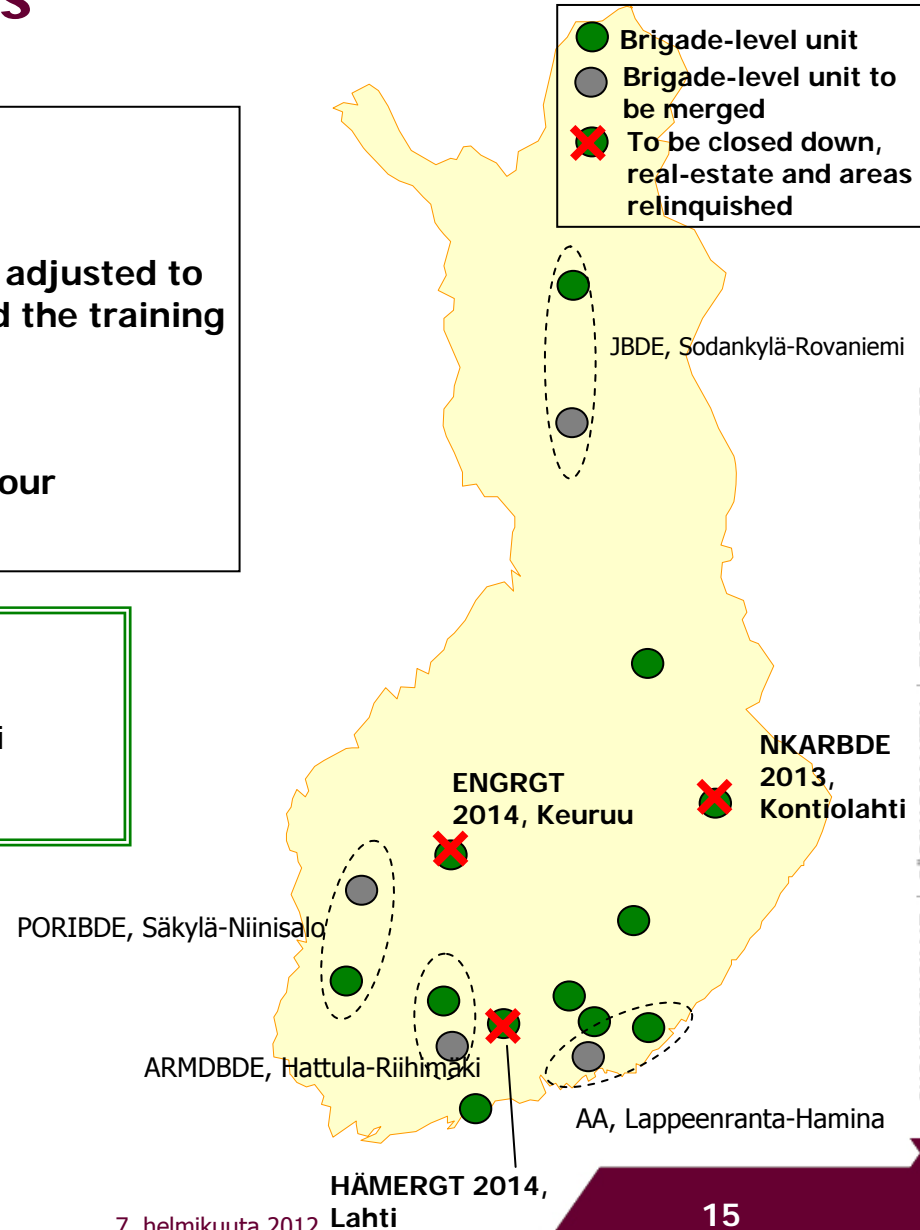
- Command levels reduced
- Number and structure of brigade-level units will be adjusted to correspond with the age-group entering service and the training needs of the wartime troops
- The readiness formation solution will be confirmed
- Eight brigade-level units will be combined to form four functionally more effective entities

Army

- ARCOMFIN, Mikkeli
- GJRGT, Helsinki
- PORIBDE, Säskylä-Niinisalo
- ARMDBDE, Hattula-Riihimäki
- KARBDE, Valkeala
- KAIBDE, Kajaani
- JBDE, Sodankylä-Rovaniemi
- AA, Lappeenranta-Hamina
- UJRGT, Utti

To be closed down at the end of 2013 N KARBDE
 To be closed down at the end of 2014 HÄMERGT and ENGRGT
 FINARMC to be reorganised as part of the FDFLOGE

Brigade-level unit
 Brigade-level unit to be merged
 To be closed down, real-estate and areas relinquished





The Defence Forces 2015 - Basis for Continued Planning

Army - Commands and Regional Offices

The Army's Regional Offices

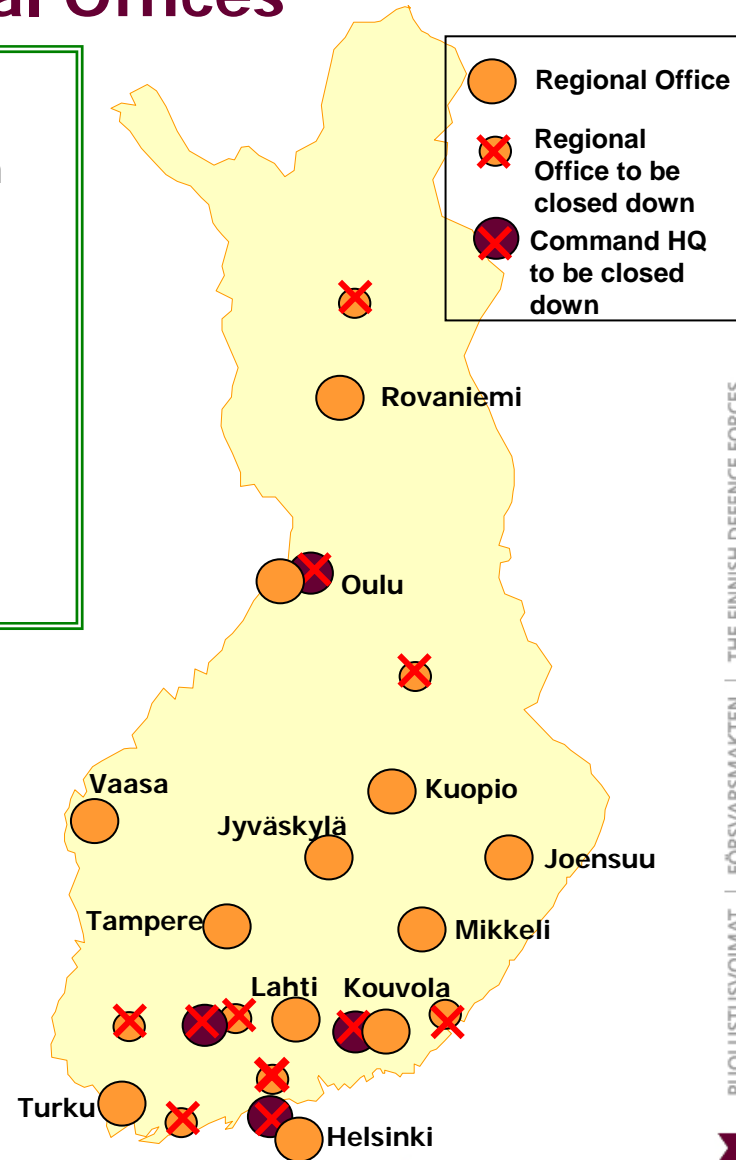
- are part of six army brigade-level units
- are regional authorities subordinate to the Army Command HQ in matters of conscription

- | | |
|---------------------------------------|-------------------------------------|
| • ARCOMFIN , Mikkeli | • KARBDE , Valkeala |
| • GJRGT , Helsinki | - RO, Kouvola |
| - RO, Helsinki | - RO, Mikkeli |
| • PORIBDE , Säkyli-Niinisalo | • KAIBDE , Kajaani |
| - RO, Vaasa | - RO, Oulu |
| - RO, Turku | - RO, Kuopio |
| • ARMD BDE , Hattula-Riihimäki | - RO, Joensuu |
| - RO, Tampere | • JBDE , Sodankylä-Rovaniemi |
| - RO, Jyväskylä | - RO, Rovaniemi |
| - RO, Lahti | |

To be closed down at the end of 2014:

- Southern Command Headquarters
 - Western Command Headquarters
 - Eastern Command Headquarters
 - Northern Command Headquarters
- | | |
|--------------------|-------------------|
| - Upper Lapland RO | - Kainuu RO |
| - South Karelia RO | - East Uusimaa RO |
| - Uusimaa RO | - Kanta-Häme RO |
| - Satakunta RO | |

In addition, the Kymenlaakso RO will be moved from Hamina to Kouvola.





The Defence Forces 2015 - Basis for Continued Planning

Navy

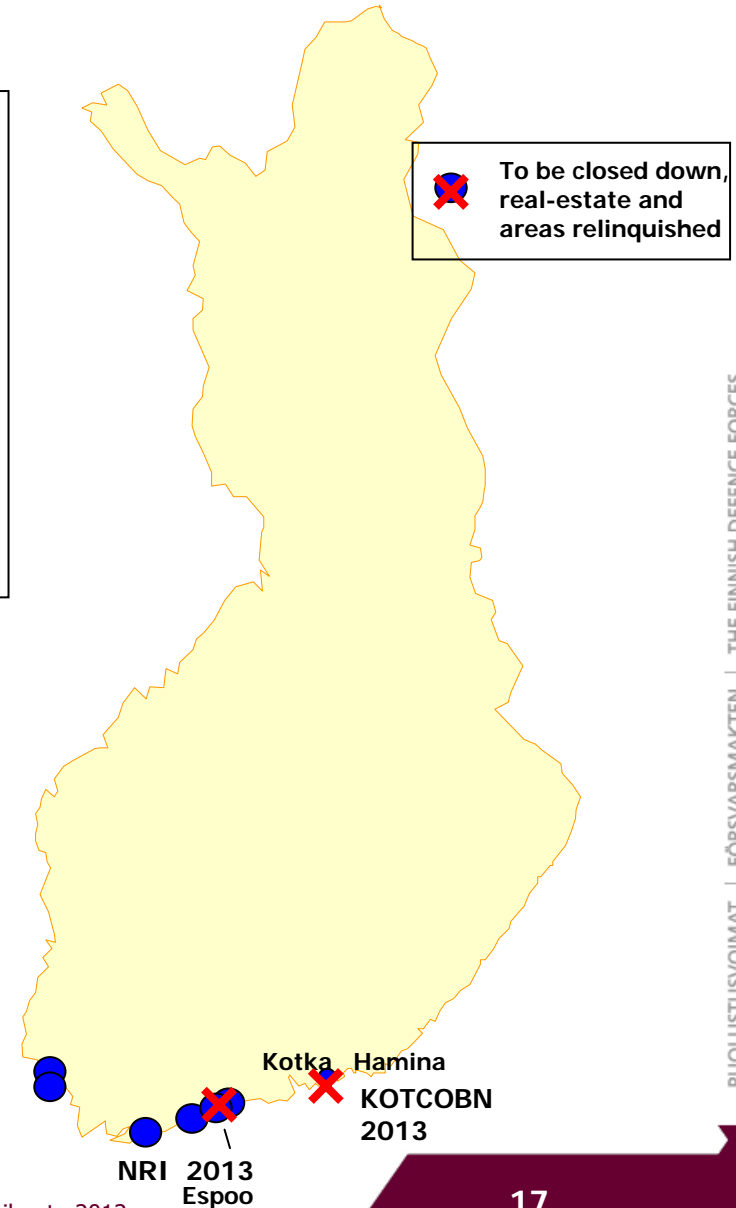
Navy: (~ 1,480)

- The Navy's command prerequisites will be strengthened by centralising maritime surveillance and developing the Naval Operations Centre
- The naval commands in their present form will be disbanded
- The training prerequisites for naval and coastal troops will be strengthened
- The training of coastal troops will be centred in Upinniemi and Raasepori

Navy

- NCOMFIN, Turku
- NAVBDELU, Turku
- COBDELU, Upinniemi
- UUSBDE, Raasepori
- NA, Helsinki

To be closed down at the end of 2013 KOTCOBN and NRI, part of the activities of which to FDFRI
FINNMC to be reorganised as part of the FDFLOGE





The Defence Forces 2015 - Basis for Continued Planning

Air Force

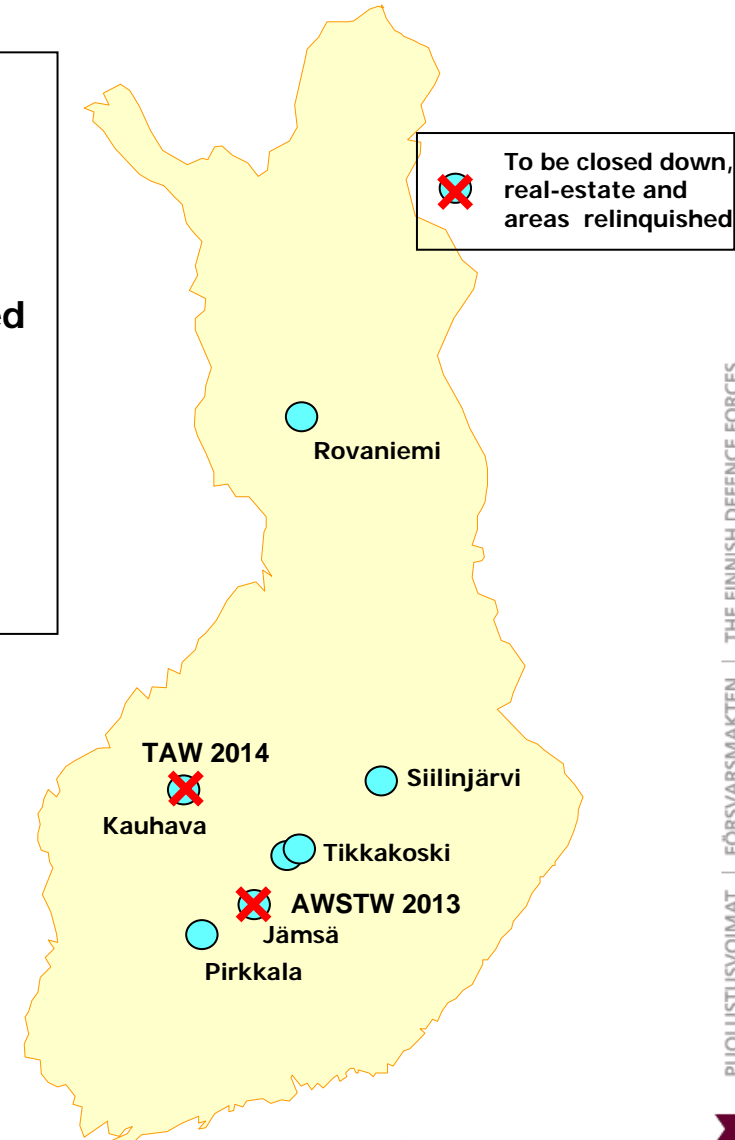
Air Force:

- Leadership of surveillance and fire control will be concentrated in the Air Operations Centre to be established
- Hornet flight activities in peacetime will be concentrated in Rissala and Rovaniemi
- Transportation, liaison and flight test activities will be concentrated in Pirkkala
- The activities of the Air Force's schools will be concentrated in Tikkakoski

Air Force

- AFCOMFIN, Tikkakoski
- FBDELU, Rovaniemi
- FBDELU, Siilinjärvi
- T&RBDELU, Pirkkala
- AFA, Tikkakoski

To be closed down at the end of 2013 AWSTW
To be closed down at the end of 2014 TAW
FINAFMC to be reorganised as part of the FDFLOGE





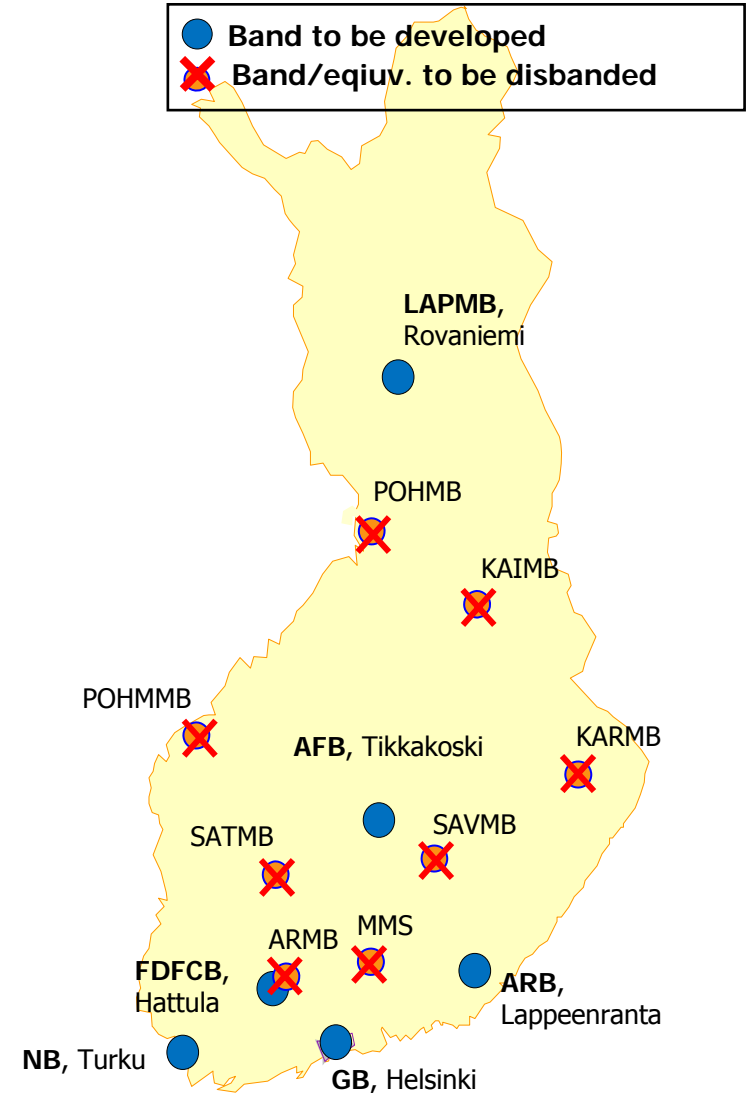
The Finnish Defence Forces 2015 Military Bands

Developing Military Music:

- Entities that are stronger and functionally more versatile
- 6 military bands will be maintained and developed
- 7 military bands and the MMS will be disbanded
 - at the end of 2013: ARMB, SATMB, POHMMB, SAVMB, KARMB, KAIMB, POHMB
 - at the end of 2014: MMS
- The FDFCB will be moved to Hattula in connection with the ARMDBDE

Military bands

- LAPMB, Rovaniemi
- AFB, Tikkakoski
- ARB, Lappeenranta
- FDFCB, Hattula
- NB, Turku
- GB, Helsinki





Lasting Savings Brought by the Reform

Measure and effect at an annual level	€ m
Brigade-level units, establishments and bases will be shut down and combined	60-65
Logistics will be reorganised. Functions will be organised to form an entity that covers the entire Defence Forces and overlapping capabilities will be removed	25-30
Support services will be reorganised	10-15
The command structure will be made lower	20-25
Effect of structural measures in total	115-135

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

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





The Defence Forces 2015 - Basis for Continued Planning

Army



- ARCOMFIN, Mikkeli
- GJRGT, Helsinki
 - RO, Helsinki
- PORIBDE, Säkyä-Niinisalo
 - RO, Vaasa
 - RO, Turku
- ARMDBDE, Hattula-Riihimäki
 - RO, Tampere
 - RO, Jyväskylä
 - RO, Lahti
- KARBDE, Valkeala
 - RO, Kouvola
 - RO, Mikkeli
- KAIBDE, Kajaani
 - RO, Oulu
 - RO, Kuopio
 - RO, Joensuu
- JBDE, Sodankylä-Rovaniemi
 - RO, Rovaniemi
- AA, Lappeenranta-Hamina
- UTTIJRGT, Utti

Navy



- NCOMFIN, Turku
- COBDELU, Upinniemi
- NAVBDELU, Turku
- UUSBDE, Raasepori
- NA, Helsinki

Air Force



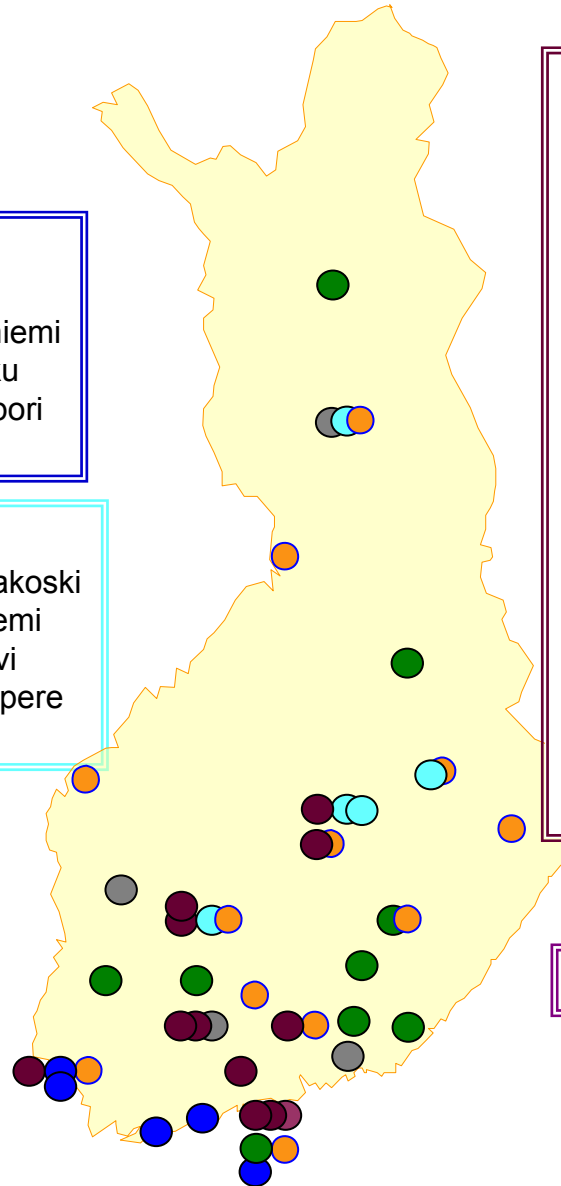
- AFCOMFIN, Tikkakoski
- FBDELU, Rovaniemi
- FBDELU, Siilinjärvi
- T&RBDELU, Tampere
- AFA, Tikkakoski

Defence Command and subordinate establishments



- DC, Helsinki
- FDFC4A, Jyväskylä, entire country
- FDFIA
- FDFRI, Ylöjärvi, Riihimäki, Helsinki
- FDFSC, Tuusula
- FDFLOGE
 - HQ, Tampere
 - SYSTC Tampere, Turku, Tikkakoski, Jyväskylä, Riihimäki
 - LOG RGT HQ, Turku
 - LOG RGT HQ, Kouvola
 - LOG RGT HQ, Tikkakoski
 - FMRC, Riihimäki
 - LOGS, Riihimäki

NDU, Helsinki

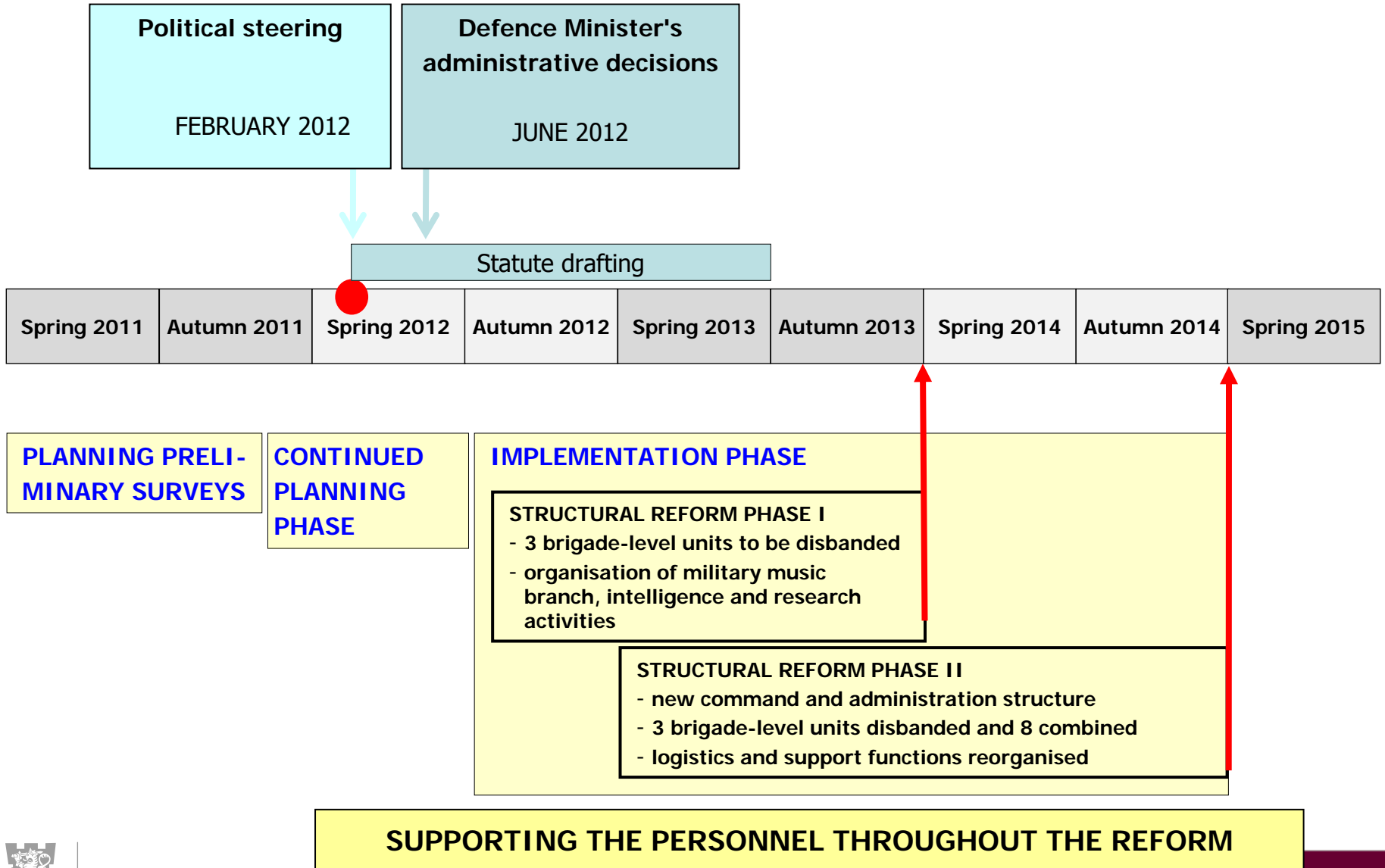


NOTE! Does not include e.g. depots, stores





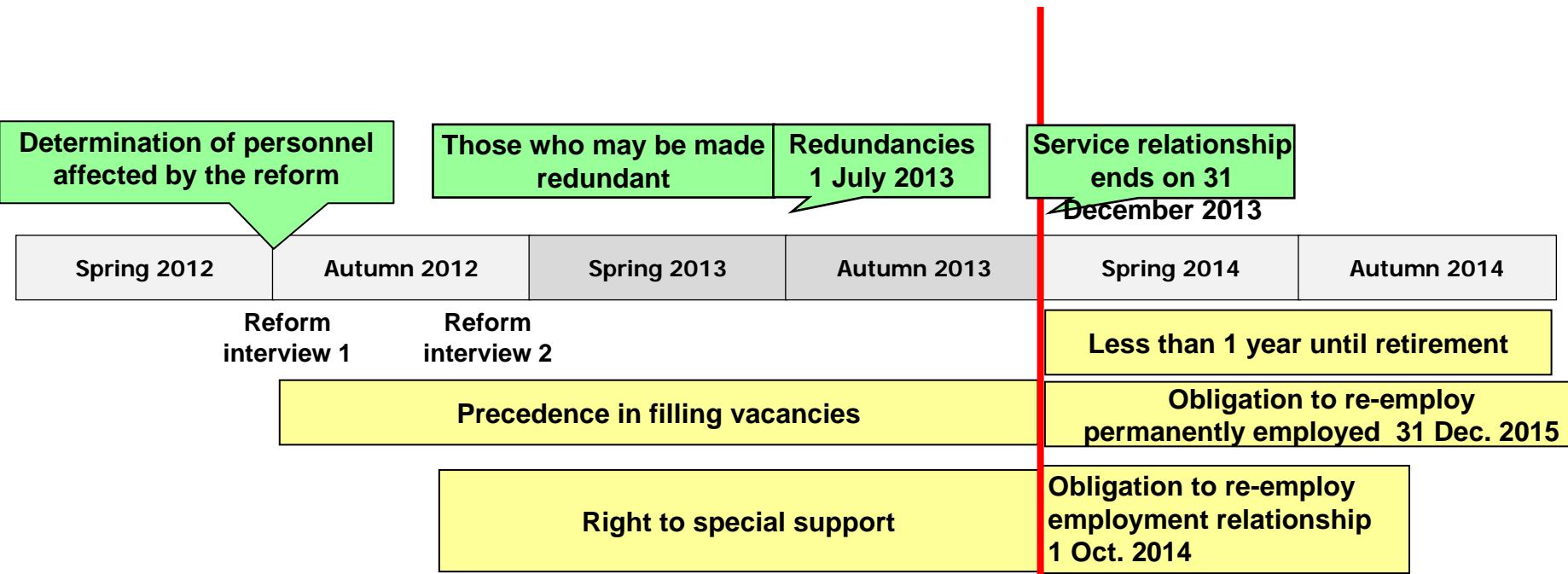
Schedule of the Defence Forces Reform





Implementation of the Defence Forces Reform - Phase I

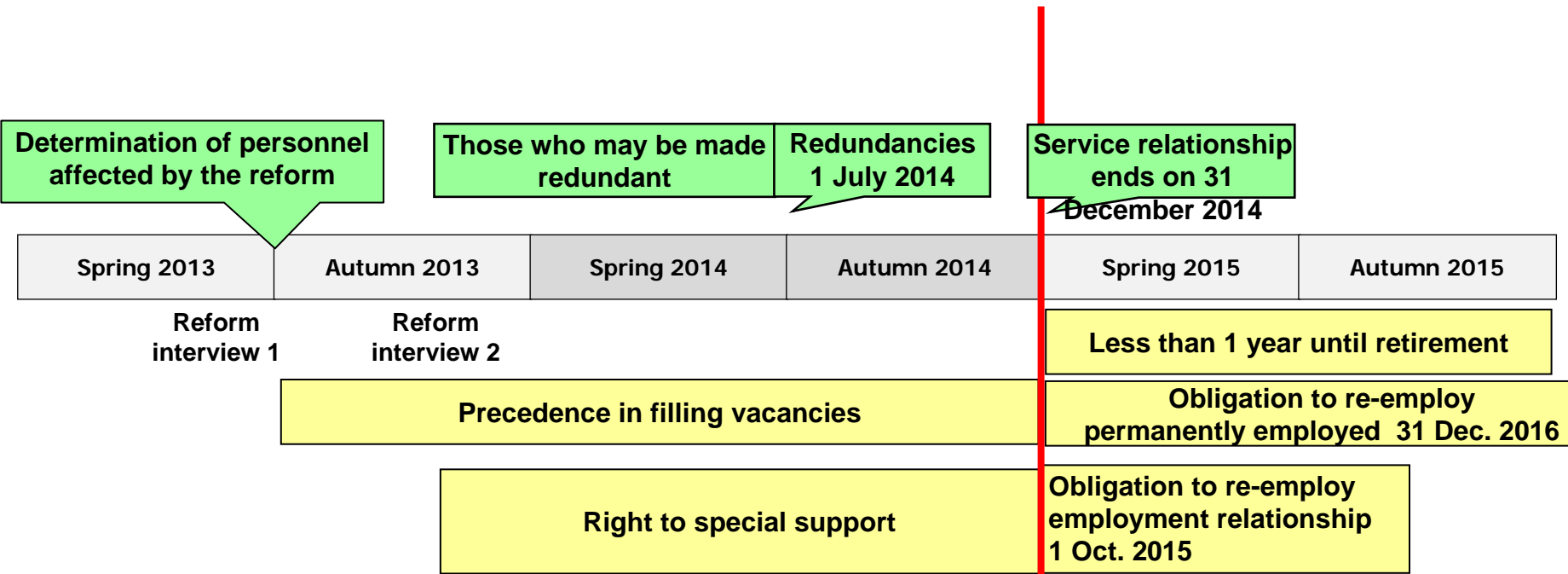
Personnel measures of the organisational reform to enter into force on 1 January 2014





Implementation of the Defence Forces Reform - Phase II

Personnel measures of the organisational reform to enter into force on 1 January 2015





Supporting the Personnel throughout the Organisational Changes (DCPERSDIV AH24360, AI283)

- Coaching and moral support
 - administrative units have their own support coordinators
- Special support for personnel
 - transfer of salary funds in order to re-employ persons made redundant within public administration
 - transfer of a person into the services of another employer for a fixed period of time
 - granting of leave of absence in order to support employment
 - compensation for dismissal
 - transfer of persons with at most one year until they reach the age of retirement or resignation
 - supporting further education/training
- Resources in case of change
 - e.g. leave of absence for gaining employment
- Obligation to re-employ
- Precedence:
 1. Those who may be made redundant
 2. Those affected by the change
 3. Those made redundant
 4. Persons within the framework of the obligation to re-employ





THE DEFENCE FORCES 2015



The Concept is a carefully considered functional entity deemed to be the best of several alternatives.

Planning continues. More information on progress and decisions will be given as soon as possible.

