**NATO DEFENCE PLANNING CAPABILITY REVIEW 2015/16**

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1. There have been no changes to Slovenia’s security objectives since the last Capability Review. An update of the 2010 National Security Strategy and the 2012 Defence Strategy is dependent on the outcome of a strategic defence review, which is expected to be completed in late 2016.Part of the Defence Act was updated in October 2015 to give a role for the military in tackling the European migrant crisis.
2. The Medium-Term Defence Programme 2016-2020, agreed in February2016, is based on the 2013 NATO Capability Targets assigned to Slovenia, but takes into account the considerable reductions in available financial resources. Specifically, it is focused on maintaining existing capabilities: one motorised infantry and one medium infantry battalion group (both with limitations); two military police companies, and CBRN capabilities. It also postponed certain financially demanding Capability Targets.
3. Slovenia’sfinancial situation remainsdifficult. Public spending was severely curtailed in order to achieve a balanced budget by 2015 which has had a significant impact on the capability development of the Slovenian Armed Forces. The defence budget has been cut repeatedly and disproportionately when compared with other public finances. However,the Medium-Term Defence Programme 2016-2020 envisages a stabilisation of defence expenditures and a gradual increase to reach 1.03% of GDP in 2020. The projected investment resources for all equipment provision, some €122million over a five‑year period, will be mostly used in the implementation of NATO Capability Targets, albeit the vast majority of it, €103million, will be expended in the years 2019 and 2020. This means that only €19million will be spent on equipment in the three‑year period 2016-2018. The implications of this lack of investment are clear.
4. The Slovenian Armed Forces comprises active and reserve component personnel. The strength of the Slovenian Armed Forces, in 2015, totalled 7,777 (6,628 military personnel and 1,149 civilians) which is forecast to increase to 8,253 in 2020to be supported by 1,500 contract reserves. The current shortfall in military manpower is a consequence of reduced defence expenditures in 2014 and 2015, the restricted ability to pay personnel and a recruitment moratorium. Retention and recruitment of military personnel is now a cause for concern, due partly to the better employment prospects for young people in the commercial sector. To counter this, the salary and allowance package will be improved in late 2016 with further improvements expected in 2017.Conscription remains part of the Military Duty Act. In times of crisis or war, the Slovenian Armed Force’s authorised strength could be increased up to 34,000 personnel within a year (comprising 7,600 regulars, 1,500 contract reserves and up to 25,000 conscripts).Current legislation allows Slovenian Armed Forces personnel, including contract reserves, to deploy outside national territory. There is no differentiation between Article 5 and non-Article 5 operations.
5. The Slovenian economy has started to improve with positive growth since 2014. GDP decreased by 1.1% in real terms in 2013, and grew by 3.0% and 2.7%, in 2014 and 2015, respectively, and is estimated to grow by about 2.3%, in 2016 and 2017, with forecast growth of nearly 2.0% for the rest of the decade. Real defence expenditure decreased by 34.6% overall during the period 2007 to 2015, while GDP reduced by 1.1% overall during the same period. The proportion of GDP devoted to defence decreased sharply from 1.44% in 2007 to 0.95% in 2015, which is well below the NATO guideline of 2% set out in the Defence Investment Pledge.For 2015, a real decrease of 0.4% has been estimated, with a forecast for 2016 showing an increase of 0.9%. Projections for 2017 and 2018 show a decrease in real terms of 1.0% in 2017 and an increase of 7.1% in 2018, which equates to 0.91% and 0.96% of GDP, respectively.Spending on major equipment has sharply decreased from 10.8% of total defence expenditure in 2007 to 0.66%, in 2014. Spending on major equipment is estimated to have been 0.78%, in 2015, and is forecast to be 1.14%, in 2016. Thereafter, it is projected to rise to 1.20%, in 2017, and rise further to 2.51%, in 2018which is well below the NATO guideline of 20% as set out in the Defence Investment Pledge.
6. Slovenia has maintained 5.2% (about 380 personnel per rotation) of its total land force strength, including SOF, on operations in 2014 and5.4% (about 376 personnelper rotation) in 2015. Land forces personnel have participated in KFOR and three NATO entities in the Balkans joint operations area, the Resolute Support Mission, and EU and UN missions.For the NRF/Very High Readiness Joint Task Force in 2016, Slovenia’s contribution includes a CBRN radiological analytical laboratory and helicopter medical evacuation. Discussions with Italy will determine a 2018Very High Readiness Joint Task Force contribution. Slovenia is prepared to offer one transport helicopter, one military police platoon, one CBRN platoon, and one civil-military cooperation team.The patrol boat *Triglav* deployed in support of the Italian Operation Mare Nostrum for 51 days in 2013-2014 and participated in EU activities to prevent and reduce migration in the Mediterranean.The air force has contributed one medium transport helicopter to KFOR since 2010. This contribution should continue through 2016.The scale of Slovenia’s land and maritime force commitments has generally been in line with its current force structure. That some Slovenian contributions are made available for low-intensity operations only means that other Allies will potentially have to pick up Slovenia’s fair share of the burden in the case of high‑intensity operations. In light of the new security environment, this is militarily and politically unwelcome.
7. Slovenia has identified a reasonableportion of its land force as deployable. Its goal is to have four infantry battalions fully manned and trained (two in each brigade), with the two requested deployable battalion groups drawing on two sets of vehicles and other equipment from the combat service support brigade to form a motorised infantry and a medium infantry battalion group. This goal, however, remains in jeopardy due to severely limited and decreased financial resources, necessary land force modernisation and capability improvement have been significantly postponed. Current emphasis is on maintaining existing capabilities with legacy or obsolete equipment. This has resulted in non-existent capabilities to participate in operations at the higher end of the spectrum and prevents the development of a full-spectrum capable, deployable mechanised infantry battalion group by 2023, which should include: battlefield manoeuvre, fire and mobility; indirect fire support; combat engineering; ground based air defence;intelligence, surveillance, target acquisition and reconnaissance; tactical command and control; and combat service support.Fielding two full‑spectrum capable infantry battalion groups should remain the top priority for the Slovenian Armed Forces, but this will not be achievable without significant increases in funding.From an Alliance perspective, the inability of the Slovenian Land Forces to conduct high-intensity operations due to a lack of capabilities and/or training is a key concern.
8. Sloveniameets its Capability Target of staff contribution to a special operations component command headquartersand appears on track to deliver the requested deployable special operations land task group,to be available from 2021.The special operations air task unit – rotary wing is being pursued using region cooperation, with the aim to deliver the capability as requestedby 2025. SOF capabilities couldimprove if SOF planners were integrated into both the General Staff and crisis operational planning.
9. Slovenia’s maritime capability remains primarily coastal with a limited opportunity to support international operations.The maritime component receives lower funding priority than the land forces and itsfocus remains themaintenance of current capabilities, although some have been curtailed. However, Slovenia can meet its Capability Target of one very shallow water mine countermeasures divers team. Other than contributing thatdiving team as well as maritime situational awareness for its part of the Mediterranean,there is not a significant maritime capability contribution Slovenia can make to the Alliance.
10. Slovenia’s Cougar medium transport helicopters are able to perform a wide variety of missions and to operate in high-threat environments. The B-412 light transport helicopters are, however, not equipped with adequate communication, identification, navigation, and self-protection equipment, and therefore can only be employed in non‑hostile conditions.The PC-9M fleet provides a light attack capability and is dedicated to basic, air‑to‑ground operations and specialist air defence training. Slovenia should consider intensifying its multinational cooperation for the provision of air‑to‑ground operations training and to further reduce the size of its PC-9M fleet. Thiswould free funds for the acquisition of air capabilities requested by NATO in the medium term.
11. Slovenia will provide mostof the enabling capabilities requested, includinga role 2 light manoeuvre medical treatment facility, for six months only, and a rotary‑wing aeromedical evacuation aircraft with a medical team.Drawing upon its expertise in CBRN defence, Slovenia has made available to NATO a substantial number of deployable CBRN laboratories, including those for chemical analysis and decontamination as well as radiological and biological detection. Slovenia is expected to be fully interoperable with the NATO CBRN Reach Back Element by the end of 2016.Slovenia is making slow progress in updatingits deployable tactical networkto an internet protocol‑based system due to a lack of resources. The tactical command and control system and combat net radios in deployable units are in urgent need of upgrade and/or replacement.Despite solid staff work to developNATO interoperable capabilities, further progress toward NATO milestones to meet the Capability Targets will require investment.
12. Slovenia’s economic circumstances and the consequent effect on public spending, mean that the prospects for modernisation of the Slovenian Armed Forces and the development of many capabilities sought in NATO Capability Targets are bleak. Successive disproportionate cuts in defence spending since 2010 made previous plans unachievable. The undertaking in the Medium-Term Defence Programme 2016-2020 to stabilise defence expenditures in real terms in 2017 and provide increases annually until 2020, is welcome. However, as Slovenia’s GDP is forecast to continue to grow,it would seem that there is much more scope to increase defence expenditures.
13. Slovenia’s proportion of defence expenditures spent on major equipment is totally inadequate. It is highly likely that existing equipment will wear out and the capabilities of the Slovenian Armed Forces will decline further, especially in the short to mid term.The ability in the short term to achieve and maintain the planned manpower levels of the Slovenian Armed Forces whilst simultaneously increasing its equipment capabilities will remain a challenge, as there are simply not enough funds to do both.The overall lack of investment in defence is at odds with the need to meet the challenges of the new security environment.Much more defence spending is required,especially if Slovenia wishes, and wishes to be seen, to deliver fully the assigned NATO Capability Targets.Until then, other Allies will likely have to continue to shoulder Slovenia’s share of the burden.
14. In light of the new security environment, Slovenia can expect the Alliance not necessarily to seek more of its armed forces overall, but it can expect the Alliance to ask for more of the forces it does seek at a much higher readiness than currently is the caseand that those forces are capable of conducting and sustaining themselves in high-intensity operations. This implies higher manning levels, better equipment, much better training and all the requisite stocks, ammunition and spares for those designated forces/units.