MINISTRY OF DEFENCE OF GEORGIA

MAJOR SYSTEMS ACQUISITION STRATEGY

2019-2025

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Introduction

This *Strategy* elaborates main directions for a long-term major systems acquisition plan that determines the main directions for capital investments aimed at defence modernization throughout 2019-2025. These directions are consistent with the acquisition priorities defined in the *Strategic Defence Review 2017-2020.*

The document includes an analysis of the previous years' acquisition budgets, for the amounts spent on acquisition of armaments and weapon systems; this provides a basis for determining the targeted budgetary forecast for the planning horizon.

Requirements of the Ministry of Defence (MoD) and the General Staff (GS), as well as recommendations of foreign experts were considered during the process of the *Strategy* development.

1. General Overview

In order to protect Georgia's sovereignty, deter potential aggression and, and at the same time cope with existing and emerging threats, the Georgian Armed Forces (GAF) must be constituted by mobile and sustainable forces. Formation and sustainment of an effective defence system and Armed Forces requires clearly established fiscal priorities in light of limited resources. For this purpose, and considering Georgia's Euro-Atlantic membership aspirations, it is important to develop GAF capabilities consistent and compatible with NATO. The main priority of the MoD is to ensure readiness of the GAF to effectively defend Georgia. Therefore, it is necessary to establish a modern defence system for the development and modernization of the Armed Forces existing capabilities.

Procuring modern military technologies is related to significant resources, therefore, taking into consideration the existing budget realities, the process of equipping the Armed Forces with modern armament, requires a multi-year approach.

2. Security Environment and Military Capabilities

Development of a coherent Armed Forces armament systems acquisition strategy requires a comprehensive risk and threat assessment of the state security. As noted in the *National Threat Assessment* document, Russia remains Georgia's primary threat.

Georgia's security environment worsened significantly following Russia's military intervention in August 2008 resulting in illegal occupation of Georgia's territories.

The 2014 annexation of Crimea and destabilization in East Ukraine further demonstrates Russia's willingness to ignore international norms through the use of effective hybrid operations, and well-trained special and conventional forces to pursue its interests and support Kremlin-backed "separatist regimes". Moreover, Russia's growing revisionist ambitions bear increasing potential for further tensions, which challenges the European and Euro-Atlantic security architecture.

Russia's intervention in Syria further demonstrates its active engagement in regional affairs to support the ruling regime and cement its influence in the Middle East. These actions, in the face of overwhelming international opposition, demonstrate Kremlin's willingness to use military means to aggressively pursue its political agenda.

Russia continues to significantly invest in modernization of its Armed Forces. Advances are evident in Command and Control (C2), Fire Support (FS) and Intelligence, Surveillance and Reconnaissance (ISR) development. Additionally, the use of Electronic Warfare (EW) and Unmanned Aerial Vehicles (UAV) were prevalent during interventions in Ukraine and Syria. Military operations in Syria also highlight Russia's capability to conduct high precision air strikes against adversary with limited air defence capabilities.

Security environment analysis shall be considered in long term defence capabilities acquisition process.

3. Strategic Priorities

The *Strategic Defence Review (SDR) 2017-2020* includes the missions of the GAF, security challenges, existing military capability deficiencies and a realistic assessment of the defence resources available for future capability requirements and GAF optimization. The *SDR* outlines the Armed Forces structure as well as six strategic capability development priorities: maneuver (infantry, mechanized and armored), air defence, anti-armour, engineering (counter mobility), artillery and intelligence capabilities.

In light of limited resources, developing these areas will represent priorities for the coming years. In addition to these six strategic priorities, several additional capability development areas were identified in the *SDR document 2017-2020* that will significantly support accomplishing operational requirements; namely, Command, Control, Communications, Computers (C4I) and Intelligence, and aviation capabilities. Collectively these eight areas represent functional categories for consideration during development of the defence budget modernization and acquisition priorities. Also, simulation systems and other educational/training material-technical assets shall be considered in major acquisition planning process.

4. Main Directions of Acquisition

Defence capability sustainment/development program of defence program budget encompasses a plan for acquisition of new and modernization of existing systems.

4.1 Maneuver

The main combat power of the GAF consists of infantry, armour and mechanized forces. Strengthening these units is directly related to successful execution of combat operations. One of the essential prerequisites for tactical success is to equip the Land Forces' East and West Commands with proper operational capabilities and modern armament. Therefore, it is necessary to procure and improve necessary capabilities that allow units' effective movement and maneuver in the country's complex terrain. This direction includes high-mobility trucks, armored personnel carriers, infantry fighting vehicles, small arms, machine guns, mortars and night vision capabilities. It is recommended to procure a single type of vehicles, which will significantly enhance their service and supply availability, and during wartime activities allow timely reparation of damaged equipment (cannibalization). Georgia Defence Readiness Program (GDRP) requirements will also fall into this area.

4.2 Air Defence

Protection of Georgia's airspace from airborne threats is one of the most important missions of the GAF. It is important for Georgian air defence units to be adequately equipped in order to accomplish assigned tasks. Therefore, it is necessary to develop unified air defence system and network through modernization and acquisition of contemporary high technology equipment. More specifically, it is expedient that the GAF be equipped with NATO compatible command, control and communications systems, early acquisition and warning systems (radiolocation stations, information sensors and missile systems). It is also important to develop air defence capabilities with systematically integrated and auxiliary radio electronic combat capabilities, as well as detection systems and organic or autonomous simulators. In addition, land forces maneuver units at least require short-range man-portable air defence systems to protect from close air attack and protect from enemy UAV.

4.3 Anti-Tank (AT) Systems

Developing AT capabilities is essential for GAF units to counter enemy's armored force. While generally a tank is the best anti-tank weapon, GAF armored forces are limited in numbers and are technologically inferior to the longer range Russian tanks equipped with active defence systems. AT weaponry will be tailored to terrain and will provide opportunities to inflict damage on enemy during tactical engagements. Focus will be made on developing medium and long-range man portable or mounted systems, that will allow to fight enemy on longer distance without the risk of unmasking positions

before their engagement in combat. Acquisition of AT systems will require a multi-year period, to properly equip units with sufficient quantities of modern systems.

4.4 Engineering (Counter mobility)

The development of GAF combat engineering capabilities with modern equipment is required to improve counter-mobility capabilities essential for territorial defence. In this regard, it is essential to focus on developing fast barrier-building capabilities to deny enemy's freedom of maneuver. This is particularly important when the enemy is largely mechanized and enjoys an advantage to rapidly reposition forces on the battlefield.

4.5 Artillery

Georgian artillery played a decisive role in the 2008 war with Russia by repeatedly hindering enemy's mobility and inflicting damage to their attacking formations. As noted above, the Russian Armed Forces has undergone significant modernization process, followed by improvements of MLRS, along with, indirect and long-range missiles now situated at the Russian military bases within the occupied territories of Goergia. Current GAF artillery systems are inferior to those of Russia in caliber, range of effectiveness and fire power. As a result, the GAF must continue to improve its artillery capabilities. It is essential to modernize/improve fire support systems and artillery-intelligence equipment, which will allow own forces to conduct full spectrum of standard fire missions, which includes counter-battery combat capabilities. In the future, it is important to conduct a thorough trade off analysis between towed and self-propelled artillery systems.

4.6 Intelligence

Continuous and effective intelligence is of vital importance for the GAF for obtaining informational advantage and initiative on the battlefield. Current GAF Intelligence, Surveillance and Reconnaissance (ISR) capabilities are limited. Therefore, equipping combat units with modern UAVs to develop reconnaissance and surveillance capabilities represents an MoD priority. In order to conduct effective intelligence operations, it expedient to procure signal intelligence equipment (with digital Communications Intelligence and Electronic Intelligence capabilities) and ground surveillance radars. In parallel, special attention must be given to equipping intelligence units with modern equipment. This capability would provide real time information on enemy actions and disposition.

4.7 C4I

The Ministry of Defence of Georgia has taken important steps for modern communications and information systems and network development. However, more

efforts are necessary to increase connectivity, resiliency and security of the communications systems. Modern systems are necessary for ensuring uninterrupted connection and communication security. Concurrently, due to the dynamic nature of cyber-attacks, continuous protection of GAF communications and information systems requires regular updates of security software/hardware capabilities.

4.8 Aviation

Despite the fact that GAF aviation capabilities will be limited for the foreseeable future, it has the capacity to move military personnel, cargo, conduct medical evacuation of wounded personnel and search and rescue operations. Selective upgrade of both fixed and rotary wing aircraft remains a key GAF priority. In the future, it would be appropriate to arm the rotary wing aircraft with air-to-ground missiles.

In all areas identified above a trade off analysis of various systems will be conducted in order to prioritize and identify the best and most needed capabilities.

The table provided below represents a correlation between system acquisition and GAF development priorities. The horizontal table represents priority direction, while vertical chart defines armament systems, which will be procured in the scope of separate priorities/priorities.

Acquisition Systems	**4.1** Maneuver	**4.2** Air Defence	**4.3** Anti-Tank	**4.4** Military Engineering	**4.5** Artillery	**4.6** Intelligence	**4.7** C4I	**4.8** Military-Aviation

5. Responsibilities

5.1 MoD.

Defence Policy and Development Department is responsible for the development of *MoD Acquisition Strategy* and analysis of the implementation process. It is recognized that 2018 defence budget will not be fully compliant with this new policy; however, development of next years' budget will adhere to the stipulations in this *Strategy.*

5.2 General Staff

The Deputy Chief of Defence (DCHOD) is responsible for internal processes required to accomplish the requirements specified in this *Strategy*. Following tasks are implied for consideration:

5.2.1. Process Definition. Establishment of an internal process to develop acquisition priorities in accordance with the military capability necessary to defend Georgia

5.2.2. Baseline Assessments. Subject matter experts must develop comprehensive assessments of current GAF capabilities in each of the areas listed in Section 4. This assessment will provide a baseline for development of prioritized military capability improvements. It will provide detailed information about quantity and quality of the existing assets that will facilitate the identification of future needs. Such assessments must be included in the classified annexes to the *Strategy*. All acquisition proposals should include a comprehensive analysis methodology such as DOTLMPF.

5.2.3. Acquisition Priority Submission to MoD. Submit proposed acquisition priorities by 1 May to the Decision-Making Board in accordance with the financial ceilings provided by MoD.

5.2.4. Program Manager Designation. Based on the complexity, duration and amount of staff coordination necessary, the CHOD may designate an individual as Program Manager for a specific acquisition initiative (e.g., French air defence systems) to synchronize defence planning and management functions.

6. Financial Analysis

The past year's financial analysis has shown that funds allocated for defence capabilities development during the previous years were insufficient (Table №1). Accordingly, one of the main goals of the *Strategic Defence Review* 2017-2020 was to ensure future force optimization and proportional decrease in financial resources allocated for personnel, which provides for increased spending for development of defence capabilities.

The table below represents economic indicators of major systems acquisition expenditures for 2015-2018.

Year	GDP	29 00[1]		Major Systems		
	(MLN)	(MLN)	GDP %	29 10[2]	29 08[3]	%
2015 (F)	31 756	680	2.1%	22 GEL		3%
2016 (F)	34 029	746	2.2%	82 GEL		11%
2017 (G)	37 516	748	2.0%	78 GEL		10%
2018 (G)	40576	802	2.0%	22 GEL	128 GEL	19%

Table #2- 2015-2018 Defence budget and acquisition financial ceilings (F-factual completion, G- approved plan, P-forecast indicator).

MoD's goal is to, similar to 2018, sustain the 20% ceiling of funds allocated for major system acquisition in 2019-2025.

[1] **29 00**- Budgetary code of Georgia;

[2] **29 10** Program of the Ministry of Defence of Georgia- Strengthening GAF Capabilities (SG), which includes state funding in the form of air defence program;

[3] 29 08 Program of the Ministry of Defence of Georgia- sustaining/developing defence capabilities

Conclusion

The Major System Acquisition Strategy enables long-term planning at Ministry of Defence of Georgia. The acquisition of modern defence systems requires significant financial resources. Therefore, in light of limited resources, the GAF major system acquisition plan must be elaborated for a multi-year period.

The Defence capability directions reflected in this document are based on six strategic priorities defined in "*Strategic Defence Review 2017-2020*". Also, based on existing realities several additional directions have been identified, which will be taken in to consideration during the major system acquisition planning process.

Based on this document, a "Major System Acquisition Long Term Plan" will be developed in 2019 to clearly lay out the defence systems to be procured in the following years, 2019-2025.