DEFENSE PLANNING – A HOLISTIC APPROACH

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1. Introduction

Security and defense are among the primary functions of any state and they have to be of high interest for any government, any nation, any military structure. Managing security and defense is, therefore, a key element in providing the best framework for a nation to accomplish its strategic objectives and socio-economic development, while preserving the citizens’ freedom and prosperity.

Defense management has a key role in accomplishing this political target, and it is the most comprehensive framework of a complex process called resource management.

Resource management is a specific process dedicated to providing advice, policy guidance, and assistance to the defense leaders on program development of logistics and materiel readiness, and the Programming, Planning, Budgeting and Execution System (PPBES). As a specialized office, it serves as the frame for assessing and backing the military power of the nation and to certify its capability to deter or to efficiently counter any possible military aggression.

Assessing resource management systems and practices means mainly to provide support in the frame of the decision-making process and of supporting the implementation of the policy decisions. Usually, in such kind of framework, a typical question is how resource allocation decisions lead to the realization of the country’s security and defense policy objectives, framing the particular aspect of this approach called the output orientation.

Resource management in many countries centers on the well-known as the Planning, Programming, Budgeting, and Execution (PPBE) System and process.

Reviewing and continued implementation of a comprehensive defense management system and a reform (transformation) program was a core element in the process of renewing of the Romanian Armed Forces. To strengthen the comprehensive framework for and integrate the reform initiatives of the defense and military establishment the Minister of National Defense is obliged to conduct a comprehensive and intensified review to be concluded within six month from the access to power on the status of the implementation of reform programs in the defense and military establishment, particularly those relating to the defense system of management, built upon the concept of a strategy-driven, capability-based, multi-year planning process, inclusive of its four mutually supporting components: the defense strategic planning system, the defense capability assessment and planning system, the defense acquisition system and the defense resource management system incorporating two sub-systems the Planning, Programming, Budgeting and Execution System and the financial management system; the improvement of equipment and logistics capacity to address, among others urgent requirements for combat operations; the transparent implementation of national
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capability upgrade program, that optimizes the use of the modern instruments of research in a centralized defense acquisition system under the EU rule of law that is fully compliant with the government procurement. The optimization of the defense budget and improved financial and management controls that pushes resources to operating units down to the company commanders and minimizes centrally managed funds in the high command.

The core planning processes of a defense management system offer this picture related to the basic organisational and processual levels and domains:

- **Strategic Planning**: identifying the priority security challenges that should be addressed militarily by building the necessary capability planning.
- **Capability Planning**: identifying capability assets and gaps and the areas of declining relevance by conducting mission area assessments and analyzing potential approaches to either reduce risk or accept more risk.
- **Resource Planning**: aligning funding to priorities within fiscal limits in the form of defense programs and budgets; and relating money spent to spending objectives by conducting performance reviews.
- **Acquisition Planning**: if a materiel solution is required, recommending what approaches (kinds of systems) are better at closing priority capability gaps; and which alternatives (types of systems) and sources are best for the preferred approach.

2. Defense planning (national and NATO defense planning)

Defence planning is a process that needs a multifaced approach. The strategic and operational environment affecting national security is complex, multifaceted and variable. Even in the long term, it will be characterized by high dynamics of changes, the growing diversity of players and increasingly complex interdependence of security trends and factors. Threats, risks and their sources are often difficult to localize and nowadays have mostly non-state and transnational character. Many of the specific threats and their impacts are difficult to predict.

It all adds up to a further blurring of distinctions between internal and external national security. The operating environment consists of a set of factors arising from the nature of an area where the operation is carried out or will be. Operating environment is also formed by the character of a potential enemy, possibilities of effecting technological and informational areas and further the current environment worldwide is complex, uncertain, volatile, and ambiguous and, therefore, requires the use of a set of reasoning tools that cannot be limited to a single field of interest.


There are a lot of traces that Romanian military body is capable of conceptual thinking about national security and national defense, both in terms of primary accomplishing the genuine national interests and coping with NATO’s and European Union commitments. More difficult is to efficiently translating such concepts into practice. In other words, how to effectively manage national defense tasks and programs, how to provide the necessary budgets, and how to deal with immediate and next door needs. That is because usually we seem to forget that the concepts we use to use, even the brilliant ones, are not able to become realities by simple fact that we consider them important and of strategic interest. That is because some time we lack of real grand-national strategy, some times because having one (of high or lower quality) we do not almost nothing to put money to transform papers in facts and capabilities in order to develop actions, credible forces and resources, and to prove effectiveness.

That is not only a today negative surprise but a kind of permanent reality, at least from the end of the Cold War, ant it explain why we failed to create and implement stable force plans, procurement plans, manpower plans, and readiness plans able to be afforded. By that
time, this was not too dangerous because we still had a surplus of assets coming from the past (aircrafts, warships, helicopters, tanks, etc), but their lifetime cycle is almost gone. The main cause of this is a chronic lack of financial resources and the total absence of any future positive perspectives in this respect.

Having that said, we also know that we must continue to examine new ideas and concepts, but putting more emphasis on effective near and mid term planning and decision making.

The new system of defense planning is one of the ideas to be developed and implement hoping that one day the economy will provide the necessary resources able to allow Romanian Armed Forces to build the desired military capabilities able to protect accordingly our national interests and our future as a NATO and EU member.

To do this, we have to take into consideration the necessity of creating an effective planning, programming, and budget system that can be linked to meaningful strategy documents (national security strategy; national defense strategy; white paper on defense and strategic planning directive). Also, we have to take into consideration: the coming challenges in defense planning programming and budgeting trends (in particular, focused on the budgeting and planning challenges raised by rising operations, procurement, maintenance military personnel costs); economic crisis and the macroeconomics of the Romania’s defense spending (by comparing national economic prospects and defense spending with those of the rest of the unional and euro-atlantic community; by looking at the interaction of the national budget and defense spending in the context of the domestic macroeconomic realities with which Romania is faced; by giving special attention to the potential threat that rapidly rising entitlements spending and debt service payments pose to national security); the uncertain cost of peace and wars (that attempts to reveal the difficulty of accurately assessing: the real costs of our engagement in peace support operations like in Iraq, Afghanistan and Bosnia; the cost of possible national military emergency or the cost of some dramatic changes in global security environment).

That means that we have to: look for the new challenges for defense planning and to understand how much we have to rethinking the traditional patterns; to review the post-Cold War defense planning patterns; to think more productive about how to be able to cover a wide spectrum of issues, including alternative strategies and structures for defense planning, (conventional, asymmetric and hybrid), modernizing weapon systems and force structures, and planning under uncertainty, without to neglect the present day approach to the current methods and policies when we advocate for radical changes are needs.

Taken it as a whole, this frame provides a provocative cross section of work intending to understand both the theoretical issues and the practical considerations that it must be addressed. In other words, we have to look at all the aspects of defense planning, to understand the challenges and choices confronting defense planners as we approach the end of the monopolar world or classical patterns and seek for the nonconventional view and models specific to the knowledge era.

2.2. Defense programs

The global, european and national financial and economic crisis has had a strong impact on military budgets, making it necessary for states or regional and international organizations concerned with such kind of issues to streamline their defense planning and the more so because, in addition to the already consecrated risks and security threats, there are also new challenges.

After 2008, the economic and financial crisis has driven European states to decrease their contribution to the budget of the alliance.

Defense is provided by an overall defense system of the nation, comprising executive and support elements. The crucial executive element of the nation defense system is represented by the Armed Forces. Other executive and support elements of the defense system
comprise strategic intelligence and diplomacy, state material reserves, defense infrastructure, armed security troops, civil protection, rescue squads, economic mobilization, civil emergency planning, training of citizens for defense, and the scientific base of the national defense.

Defense expenditures are aimed at the overall system of national defense and they are expenditures on military and non-military elements of the defense system. Consequently, defense expenditures acquire a broader meaning than military expenditures, which include the sums allocated from the national budget to the Armed Forces. By also taking into account international views on the two terms, the one of military spending appears to be the most suitable one for the purposes of this article. This is supported by the fact that military spending holds an important ground in the area of defense expenditures and represents about two thirds to three quarters of the total defense expenditures of developed countries.

Defense programs are intended to provide for the attainment of defense objectives within resource constraints. A defense program is “an integrated plan of intended use of available and expected resources (personnel, materiel, money, etc.) in order to achieve results, i.e. build and maintain capabilities.” The primary function of a defense program is to support resource decision-making, linking resources to products and providing for “output-oriented” policy and plans.

Defense program management is the centralized coordinated management to achieve programs’ strategic objectives and benefits and to assure that suppliers deliver on time, within budget and in accordance with customer requirements.

For the last decades, organizations have failed to manage successfully defense programs encountering significant delays in delivering the defense capabilities on time and overrunning the approved budgets. Consequently, some programs lost the political and financial support and became irrelevant for their end users. In addition, defense programs became more and more complex, not only due to the high political and strategic importance and economic implications, but also because of the cuts in defense budgets and schedule constraints. Moreover, it is worth reminding a common truth according to which a broad range of uncertainties and corresponding risks influences the acquisition of new equipment and defense capabilities.

When analysing the effectiveness of risk management within defense programs, a number of pitfalls can be identified: the lack of the management commitment in applying the best risk management practices; the reactive behaviour of management instead of promoting.

Military spending is another relevant factor in the frame of the dynamic European security environment. Usually, in a NATO member country, any European government use to claim that its program declaration to allocate at least a significant portion of the country’s GDP to the armed forces. The commitment stems not only from the NATO recommendations, but above all from the need of the Ministry of Defense (MOND) to prepare and run the reform process of armed forces in line with the approved long-term plan of the structure and development of these armed forces. Therefore, a figure varying from 1.5 to 3% of GDP allocation for military spending has become the primary planning financial limit for the implementation of the long-term plan.

Since a defense program is nothing more than a comprehensive work designed to articulate the intended use of defense resources – as input - to achieve measurable result as output, its main achievement consists in so called „defense (military) capabilities”.

With the creation of the Allied Command for Transformation and its growing role in the NATO force planning process, it can be predicted that the ACT capability model will (possibly with minor modifications) be introduced in the planning process of many countries. The NATO construct is known as DOTMLPF, which stands for: Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities, Interoperability.

3. Rationale for Program-Based Defense Resource Management

In a systems approach to decision-making, the approach to understanding the process is that sound decisions begin with clearly stated goals and objectives and followed by analysis of alternatives for achieving the goals. The systems approach uses various models to predict the consequences of different alternatives and provides a framework for the decision maker to explore tradeoffs, gain insight, and make a choice. The great advantage of this method is that a link can be drawn from the problem to a course of action and to the cost of resources necessary to implement the course of action. The modeling principles taught allow the manager to explain the relationship between resource inputs and organizational outputs and outcomes.

The planning, programming, budgeting and executing system (PPBES or PPBS)

PPBS is a management tool that offers real and appropriate opportunities for increasing the effectiveness in spending the defense (military) budget to provide the necessary military capabilities.

Planning-oriented approach to developing a program budget. A program budget is a budget in which expenditures are based primarily on programs of work and secondarily on character and object. It is a transitional type of budget between the traditional character and object budget, on the one hand, and the performance budget on the other. The major contribution of PPBS lies in the planning process, i.e., the process of making program policy decisions that lead to a specific budget and specific multi-year plans.

A modern and result-oriented new PPBES is a key element in accelerating the process of the military transformation. Consequently, a set of Transformational Planning Guidance to provide orientation for the development of the armed forces according to the new security environment requirements is the only way to achieve strategic goals. Issuing them timely and keeping the path with their implementation is a strong step in the direction of making transformation and innovation visible parts of the defense planning process.

The planning, programming, and budgeting system (PPBS) through which the Ministry of National Defense (MOND) prioritizes its programs and resources has to be adjusted in order to facilitate transformation and innovation, not to obstruct them.

MOND is tasked to perform periodical trials resource allocation process in order to reduce the burden of repetitive report generation that has drained time and energy away from innovative, strategic change. This process gives senior and also tactical leadership an opportunity to shift their attention from wrestling with budget detail to developing initiatives to transform Romanian armed forces. This change will not happen only by chance. This requires initiative and skills to enable appropriate leadership to move the focus from the back-end (budgeting) of the resource allocation process to the front-end (planning and idea generation).

The planning, programming, and budgeting system (PPBS) is a new achievement of the process of preparing for NATO membership and became a real instrument of capability building after 2004 aiming to manage MOND programs and resources. A key purpose of this new system was to rationalize investments in transformation and to answer the pressing question of this process. Also, the PPBS were used to integrate the force plans of the all three services. It held that, in the absence of such a system, each service developed its force program with only incidental attention to the other services.
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The PPBS is a dynamic process, able to undergo all the necessary changes over the last period, but the core elements and basic flow of the process endure, mainly in the area that provides a systematic and relatively visible review of programs and resource allocations. It forced defense planners to make choices and prioritize programs. Decision-makers could get a fair degree of insight into the military capabilities that would be fielded in the near future. The risk of making a serious mistake and suffering its dangerous consequences is progressively minimized.

In the planning phase, the military role and posture of the nation shall be examined, considering enduring national security objectives and the need for efficient management of resources. The focus shall be on the following major objectives: defining the national military strategy necessary to help maintain national security and support national foreign policy; planning the integrated and balanced military forces necessary to accomplish that strategy; ensuring the necessary framework (including priorities) to manage MOND resources effectively for successful mission accomplishment consistent with national resource limitations; providing decision options to the national leadership to assess the role of national defense in the formulation of national security policy and related decisions. This review shall culminate in the issuance of the defense guidance.

In the programming phase, the MOND Components shall develop proposed programs consistent with the Defense Guidance. These programs shall reflect systematic analysis of missions and objectives to be achieved, alternative methods of accomplishing them, and the effective allocation of the resources. The General Defense Staff shall analyze the programs and provide a risk assessment based on the capability of the composite force level and support program for the Romanian Armed Forces to execute the strategy approved during the planning phase. A program review is conducted; the results are issued in a kind of program decision draft.

In the budgeting phase, the MOND Components shall develop detailed budget estimates for the budget years of the programs approved during the MOND programming phase. The specialized structure on management and budget will provide a final version of the Program Budget Decisions. Usual a Defence Planning Process consists of few phases. Although the process is sequential and cyclical in nature (four year cycle with bi-annual elements), some elements occur at different frequencies and some steps are a sort of continuous activity. First phase is one called “Establish political guidance”. That intent is to develop a single, unified political guidance for defence planning which sets out the overall aims and objectives to be met by the Alliance. It translates guidance from higher strategic policy documents (i.e., the National Security Strategy, National Defence Strategy of Romania, Strategic Concept, and EU Security Strategy).

Strategic Concept and subsequent political guidance can to provide sufficient detail to direct the defence planning efforts of the various planning domains, both in member countries and in NATO, towards the determination of the required capabilities. This will obviate the requirement for other political guidance documents for defence planning.

Political guidance should reflect the political, military, economic, legal, civil and technological factors which could impact on the development of the required capabilities. It will aim at defining the number, scale and nature of the operations the national military should be able to take part, commonly referred to as NATO’s Level of Ambition. It will also define the requisite qualitative capability requirements to support this overall ambition. By doing so, it will steer the capability development efforts of Allies and within NATO. Furthermore, it will clearly define associated priorities and timelines, as appropriate, for use by the various planning domains.

The second phase is that aiming to determine requirements. There is one single consolidated list of Minimum Capability Requirements, including eventual shortfalls. The team takes into account all RDPP-related guidance and ensures that all requirements considered necessary to meet quantitative and qualitative ambitions set out in the political
guidance are covered. The process is structured, comprehensive, transparent and traceable and uses analytical supporting tools coupled with relevant national and NATO expert analysis.

Planning domains are fully engaged throughout the analysis, assisting the national commands in providing a sound framework for further work which, ultimately, needs to be usable by each planning domain. National Strategic Commands must be transparent, while ensuring that political considerations do not prematurely qualify the process during which requirements are identified. This is achieved by seeking expert advice and feedback from services, inviting the latter to observe key milestones and decision points, together with regular briefings to them.

The third phase: Apportion requirements and set targets

There are target setting initially apportions the overall set of minimum capability requirements to each of the national service and other entities in the form of target packages, respecting the principles of fair burden-sharing and reasonable challenge, according with our commitments to NATO alliance and EU capabilities.

Initially led by the Strategic Commands, the Defence Planning Staff Team will develop targets for existing and planned capabilities against the Minimum Capability Requirements and cover them in the draft target packages, together with their associated priorities and timelines. Targets should be expressed in capability terms and be flexible enough to allow national, multinational as well as collective implementation.

Each individual branch (services) has the opportunity to seek clarification on the content of targets and present its professional views on their needs during a meeting between the relevant sectorial representatives. Subsequently, the Defence Planning Staff Team will consider the services’s members perspective and priorities with the aim of refining the national target packages and providing advice on what constitutes a reasonable challenge.

Following discussions with services’ representatives, members of the Defence Planning Staff Team will transition from the Strategic Commands to the Joint General Defence Staff MOND Defence Planning Division Team. At this point, the Defence Planning Staff Team will continue to refine and tailor individual draft target packages in line with the principle of reasonable challenge. To ensure transparency and promote national cohesion, packages will be forwarded to Services with a recommendation of which targets should be retained or removed to respect this principle. Services will review these packages during a series of multilateral examinations.

Agreed packages are accompanied by a summary report, which is prepared by the Defence Policy and Planning Division, on the targets as a whole. This will subsequently be forwarded to services representatives for submission to Commanders for preliminary adoption. The summary will include an assessment of the potential risk and possible impact caused by the removal of planning targets from packages on the delivery of the National’s Level of Ambition.

The four faze - Facilitate Implementation. This step assists national efforts and facilitates multinational and collective efforts to satisfy agreed targets and priorities in a coherent and timely manner. The aim is to focus on addressing the most important capability shortfalls. This is done by encouraging national implementation, facilitating and supporting multinational implementation and proceeding with the collective (multinational, joint or common-funded) acquisition of the capabilities required by the Alliance. This step also facilitates national implementation of standardization products developed to improve interoperability force.

The detailed work needed to develop and implement a capability improvement or action plan is carried out by multidisciplinary task forces. These task forces are composed of representatives from all stakeholders, under the lead of a dedicated entity. Each task force is supported by a “Capability Monitor” who keeps themselves abreast of progress in the
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implementation phase and report to all relevant bodies and committees, providing feedback and additional guidance to the task force.

The fifth phase - review results – is complementing the process. This phase seeks to examine the degree to which NATO’s political objectives, ambitions and associated targets have been met and to offer feedback and direction for the next cycle of the defence planning process.

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