

Linking defence policy and strategy to the defence budget: the case of Georgia

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Abstract

Defence budgets should be prepared in compliance with the guidance provided by the national security and defence policy and strategy documents. The aim of this article is to review Georgia's current defence policy, strategy, and planning hierarchy and suggest ways to streamline it, increase its effectiveness, and ensure a clearer link between defence policy, strategy and the defence budget. As a result of the study, it was proposed to carefully reconsider the existence of the Strategic Defence Review (SDR) document in its current form (as an agency level document of the Ministry of Defence of Georgia), especially when there is a National Defence Strategy (NDS) document in the defence policy, strategy, and planning documents hierarchy. An updated hierarchy of Georgia's defence policy, strategy, and planning documents was proposed to provide a clearer link between defence policy and strategy and the defence budget. It does not matter much the presence of a large number of various specially (sometimes colourfully) entitled national security and defence policy and strategy documents. Rather, it is important to have a logical, simple, and understandable hierarchy of documents that define, outline, and agree on national priorities and the expected role of defence and the military.

Key words:

Defence policy and strategy; defence planning; capability planning; programming; program budgeting.

1. Introduction

Defence is a complex system that, in peacetime, must transform allocated public resources (inputs) into mission-ready forces (outputs). The guidelines, framework, objectives, and milestones for this transformation, as well as further development and maintenance of the armed forces, are provided by the defence policy, strategy and planning documents. Defence policy includes a set of stated objectives that the Defence Ministry is trying to achieve, while defence strategy can be defined as an approach to achieving defence policy objectives. In turn, defence planning, guided by defence policy and strategy and using analytical, planning, and programming efforts, determines what kind of armed forces are suitable, feasible and affordable to the state (Mazarr et al., 2019). Defence planning is aimed at converting the national security and defence policy and derivative defence strategies and guidance documents into a set of achievable and affordable capability requirements, spending priorities, capability development plans, programs, and budgets, and ultimately into a comprehensive, available and capable force structure that will enable the accomplishment of the assigned defence tasks and the achievement of the national defence and security objectives. The main challenge to defence planners is to determine the optimal military capabilities to be developed and maintained, as well as the associated states of readiness (Omitoogun & Hutchful, 2006).

Defence budgets should be developed in line with the national security and defence policies and strategies. If properly organized and well drafted, defence policy and strategy documents provide the necessary basis and framework for defence planning processes, namely capability planning, program planning, budget planning, and ultimately budget execution.

In this article, I reviewed Georgia's current defence policy, strategy, and planning hierarchy and suggested some changes to streamline it, increase its effectiveness, and ensure a clearer link between defence policy and strategy and the defence budget.

Due to the general lack of detailed information and limitations in obtaining primary data on the defence sector in terms of secrecy, the study mainly relied on information and secondary data available from open sources. A literature research method and a qualitative (thematic) analysis method were applied for obtaining and analysing the necessary information.

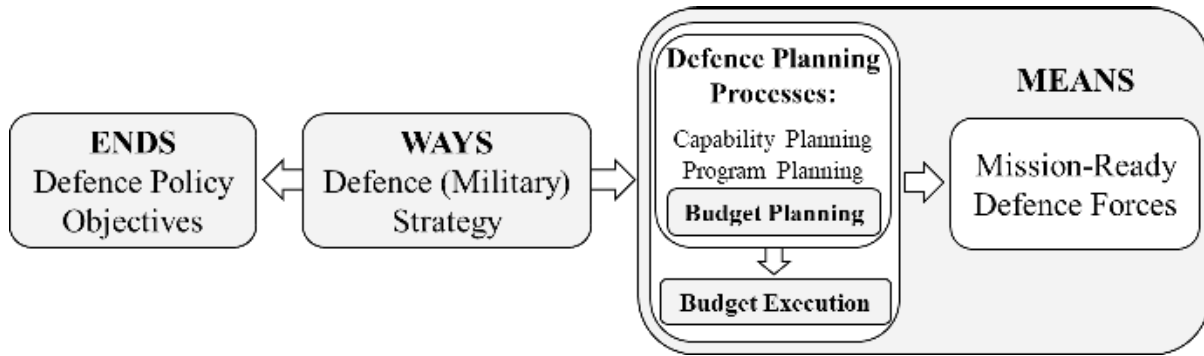
2. Defence Policy, Strategy, and Planning: Definitions and Objectives

As mentioned above, defence budgets should be developed in line with the national security and defence strategy (see Figure 1). This includes the definition of the national values and interests; analysis of the security situation; assessment of threats and analysis of anticipated scenarios; risk assessment; and determination of the national security and defence/military objectives and tasks, as indicated in the National Security and Defence Policy documents.

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Figure 1: Linking Defence Policy Objectives to the Budget



According to Betts (1995), when formulating defence policy and strategy, there are critical questions related to *readiness* that need to be answered in order to determine achievable and acceptable capability requirements, prioritize defence spending, and create a comprehensive and capable force structure with an appropriate level of readiness:

-*Readiness for when?* What about the time available for conversion? Should we focus in peacetime on active units or reserves?

-*Readiness for what?* What kind of war and enemy should the forces be ready for? What about the conditions and strategy?

-*Readiness of what?* What are the time requirements for the marshalling and deployment of the Air Force, Navy, and Ground Forces and their various elements, since they all have different tasks to achieve or maintain readiness? p. 33

As Neill et al. (2017) noted, “policy and strategy are often misunderstood and frequently substituted for one another” (p. 1). In fact, defence policy is an integral part of public policy, influenced by political considerations, and in democracies, citizens play a central role in the process of formulating defence policy. Defence policy can be defined as “a purposive and consistent course of action formulated by a specific political process, which is adopted, implemented, and enforced by a public agency” and includes a set of stated objectives the Defence Ministry is expected to achieve (Neill et al., 2017, p. 22). Defence strategy can be defined as a method of achieving defence policy objectives; the strategy formulation process can be deliberate or expedient, but it should provide a synthesis of ideas that allows defence decision makers to choose among various options and produce clear guidance for defence planners.

Defence planning, in turn, must necessarily make assumptions about the environment and, using analytical, planning, and programming efforts, determine which military forces are suitable, feasible, and available to the state. As mentioned in the Introduction, the defence planning process is aimed at converting the national security and defence policy and derivative defence strategies and guidance documents into a set of achievable and affordable capability requirements, spending priorities, capability development plans, programs, and budgets, and ultimately into a comprehensive and combat-ready force structure that will enable the accomplishment of the assigned defence tasks and the achievement of the national defence and security objectives.

3. Defence Policy, Strategy, and Planning: The US Experience

The US National Defence Strategy (NDS), released in 2018 and replacing the former Quadrennial Defence Review, among other issues, is also aimed at providing a common strategic rationale for programs and priorities (DOD, 2018). The NDS flows from the National Security Strategy (NSS) produced by the U.S. President’s staff and signed by the President (The White House, 2017). It informs the National Military Strategy (NMS) and provides a framework for other Department of Defence (DOD) strategic guidance, specifically on campaign and contingency planning, force development, and intelligence. The document is produced by the United States Office of the Secretary of Defence (OSD), signed by the United States Secretary of Defence, and is expected to be updated every four years. The NDS is used in the Planning, Programming, Budgeting, and Execution (PPBE) process to establish the objectives for the plans for military force structure, force modernization, required resources (funding and manpower), supporting infrastructure and business processes, and along with the Joint Capabilities Integration and Development System (JCIDS) Process, plays a key role in identifying the capabilities required by the warfighters to support the NSS.

The National Military Strategy (NMS), issued by the Chairman of the Joint Chiefs of Staff, provides the Chairman’s military advice for how the Joint Force implements the defence objectives in the NDS and the direction from the President and the Secretary of Defence. It focuses on specific military objectives and capabilities and articulates a continuum of strategic direction to frame global integration into three strategy horizons to meet the challenges of the existing and future security environment: *Force employment*, which addresses planning, force management, and decision-making to fulfil the defence objectives of the NDS; *Force development*, which adapts functions, capabilities, and concepts to improve the current Joint Force; and *Force design*, which innovates to enable the Joint Force to do what it does differently to retain a competitive advantage against any adversary (Joint Staff, 2018).

Aforementioned documents provide the necessary basis and framework for the further “defence resource management planning processes (capability planning, program planning, and budget planning)” (Taliaferro et al., 2019, p. 14).

The *capability planning* process should focus on generating a force (capability) development plan; it determines and prioritizes the means (capability requirements derived from analyses of strategic policy guidance, scenarios, and concepts) necessary to develop the future force structure in accordance with the DOD policy guidance and known fiscal restraints, and it should be completed well in advance to inform the programming and budgeting processes.

Programming provides a critical link between capability planning and budgeting and determines activities and, according to DOD policy guidance and within fiscal constraints, allocates resources necessary to develop capabilities over a multi-year period. It produces a program plan “that allocates resources (inputs) to force elements over time in order to create capability (outputs)” and enables “decision makers to understand the costs and trade-offs required to implement a capability proposal” (Taliaferro et al., 2019, p. 52). The main outputs of the programming are a feasible and affordable capability mix and approved Major Force Programs (McGarry & Peters, 2021).

The first year of the approved programs is the basis for *budget development* (Taliaferro et al., 2019). Finally, the approved *defence budget* is executed to create the actual *military capability* - armed forces capable of achieving the strategic goals set.

4. Defence Policy, Strategy, and Planning: The Case of Georgia

4.1 Current National Security and Defence Policy, Strategy, and Planning Hierarchy

Figure 2 depicts the current national security and defence policy, strategy, and planning hierarchy of Georgia.

Figure 2: National Security and Defence Policy, Strategy, and Planning Hierarchy



Source: Ministry of Defence of Georgia (MOD). (2021). *Strategic Defence Review (SDR) 2021-2025*. Available at: <https://tinyurl.com/4ry75tyy>

The changes that take place in the security environment of the country, as well as their influence on the threats and challenges to national security, are reflected in the National Security Concept (NSC) of Georgia, which was developed by the Government of Georgia and ratified by the Parliament of Georgia (POG, 2011). This is the basic document that explains fundamental national values and national interests; the vision of the nation's secure development; threats, risks, and challenges; and establishes the main directions for national security policy. The current version of NSC was last updated in 2011.

Based on the NSC, the government of Georgia implements measures to ensure the protection of fundamental national values and the promotion of national interests, as well as to adequately respond to the risks, threats, and challenges facing the country. The NSC provides the basis for the development of specific strategies and plans, which should be updated along with changes to the document.

Threats and challenges caused by military, foreign policy, internal political, hybrid, transnational, socio-economic, natural, and human factors that pose a significant threat to the country's national security are identified in the Threat Assessment Document (TAD). This is a classified document, but its first two versions (2007-2009 and 2010-2013, respectively) contained open sections. As for the current document, the classified version (only) was updated in 2015, covering the period 2015-2018.

The long-term organizational development approach of the MOD to meet national defence goals is reflected in The Ministry of Defence Vision 2030 (MOD, 2021a) and is in line with the guidelines set by the National Security Concept, Threat Assessment Document, and National Defence Strategy.¹ In particular, this document puts forward the organizational vision, values, and approaches of the Ministry, which reflect a thorough analysis of trends in the global and regional security environment. The document defines long-term objectives and presents specific tasks for their achievement.

The mid-term development efforts of the Ministry of Defence of Georgia are guided by the Strategic Defence Review (SDR), which is the agency-level document and should be updated every five years or in the case of significant changes in the security environment. According to the document, it determines priority development areas for both military and non-military directions; identifies necessary means, deadlines and responsible structural units; sets forward an objective force structure and requirements of the Georgian Defence Forces; defines priority areas for resource allocations; and, additionally, comes up with concrete solutions to bridge the gap between current and future force structures over a specific period of time (MOD, 2021b).

The main document that identifies instructions and recommendations for program managers and structures involved in order to facilitate program budget development in the MOD is the Defence Program Guidance (DPG) (MOD, 2018). The DPG, based on the analysis of the defence strategic documents, should reflect the priority areas and benchmark financial ceilings to elaborate on the budgetary programs for a 4-year period. The document is approved by the Minister of Defence of Georgia and must be updated annually.

4.2 Review of Defence Policy and Strategy

According to Neill et al. (2017), nations should either review existing defence policies and strategies or create new ones in two broad categories: calendar-driven and event-driven.

Calendar-driven is a regular scheduled review typically linked to inter-government processes, for example, budget preparation and submission. It can also be legally prescribed to occur on a regular cycle in periods depending on each country's specific processes and needs, but usually annual, biennial, or quadrennial.

Annual reviews do not require the involvement of significant parts of the Defence Ministry in the process and can be conducted by a structural unit within the Ministry, which plans and executes these reviews with no or little support beyond the defence sector. Such reviews imply a limited examination of the current defence policy and strategy and are focused on financial, legal, environmental, or policy changes that have occurred since the last review. They usually result in updated policy and strategy and adjusted force development and operational priorities.

In the case of an event-driven review, the requirements of the defence ministry and defence forces need to be significantly reviewed in the context of government-wide policies and priorities, which is commonly known as a Strategic Defence Review (SDR). As Neill et al. (2017) noted, „a strategic defence review (SDR) is a type of defence review for use under particular circumstances“ (p. 1). Due to the complex nature of today's security threats, the response goes beyond the military to areas such as cyberspace, information, the financial sector, a functioning civil society, and other sectors. Since the whole government is involved in the review, it will address various aspects of defence that may not need to be considered during calendar-driven reviews. Thus, an SDR is a resource-consuming effort and requires significant labour hours within the defence entity, as well as across other government organizations, that should provide direction for defence policies, military capabilities, force structure, and budgets. The review process takes much longer than a periodic or regular process and may last about one or two years, depending on the nature of change, the breadth and depth of the review, and the scale of changes. The Defence Ministry cannot do much on its own in the SDR process until national interests, values, policies, and strategies begin to take shape (Neill et al., 2017).

Based on the foregoing, the existence of the Strategic Defence Review (SDR) in its current form (as an agency level document of the Ministry of Defence of Georgia) should be carefully reconsidered, especially when there is a National Defence Strategy (NDS) document in the defence policy, strategy, and planning documents hierarchy.

It should be noted that Georgian legislation provides for the National Defence Strategy (NDS) as a national (strategic) level conceptual document (POG, 2006, article 6). In principle, conducting the SDR process implies a review of the existing defence policy and strategy, and its results should be reflected in the NDS document. Thus, *the expediency of the simultaneous existence of the above documents (NDS and SDR) is highly doubtful.*

It is highly advisable to conduct a national security policy and strategy review along with a review of the national defence policy and strategy since, as mentioned above, there is little that the Ministry of Defence can do on its own in the SDR process if national interests, values, policies, and strategies are not formed.²

As far as triggers for revisiting national security and defence policy and strategy are concerned, these could be unforeseen or pre-planned significant changes in the country, its government, or its security environment. These are parliamentary elections; a change of government; a regional or global conflict that affects the security situation of the state; and other events that require a review of the national security and defence sector in the context of national priorities, policies, and resources.

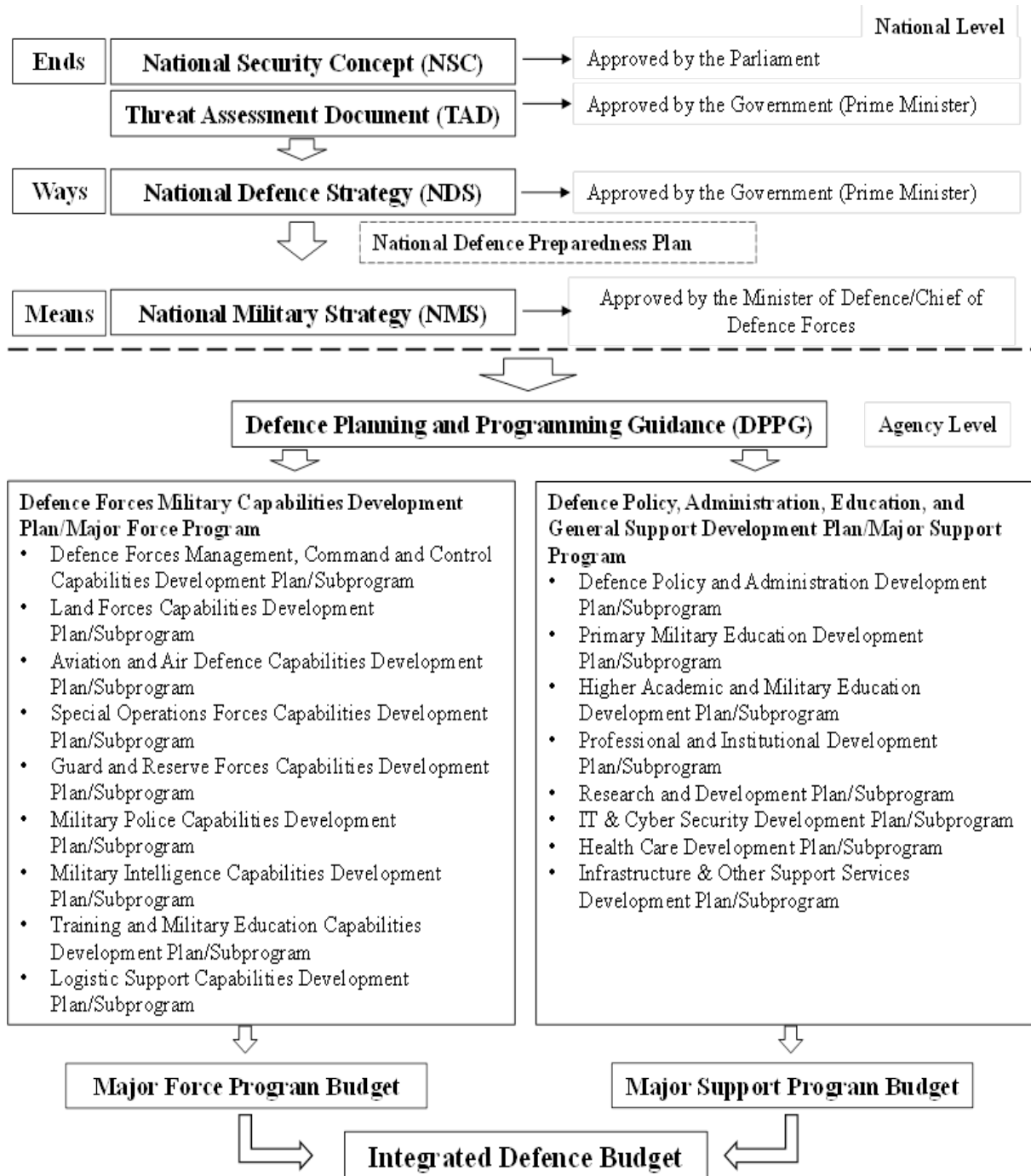
1 A national-level conceptual paper. At the time of writing the article, the document was in the process of being drafted.

2 A good example of a simultaneous review of defence policy and national security policy is the UK with its “National Security Strategy and Strategic Defence and Security Review 2015” and “Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy.” Available from: www.gov.uk

4.3 Defence Policy, Strategy, and Planning Hierarchy Proposals

In order to streamline the national security and defence policy and strategy documents hierarchy, which will provide a clear framework for capability planning, programming, and ultimately budget planning and execution, it is advisable that the hierarchy of the mentioned documents be organized as it is shown in Figure 3.

Figure 3: Proposed Hierarchy of National Security and Defence Policy, Strategy, and Planning Documents



The National Security Concept (NSC) of Georgia, developed by the Government of Georgia and ratified by the Parliament of Georgia, will reflect the changes in the security environment of Georgia, their influence on the threats and challenges to national security, will explain fundamental natio-

nal values and national interests, the vision of the nation's secure development, threats, risks, and challenges, and establish the main directions for national security policy. The NSC will create the basis for the development of specific strategies and plans that are updated along with changes to the document.

Significant threats and challenges to the country's national security caused by military, foreign policy, internal political, hybrid, transnational, socio-economic, natural, and human factors will be identified in the Threat Assessment Document (TAD) of Georgia. The TAD is a classified document.

The National Defence Strategy (NDS) will provide a framework for other MOD strategic guidance, specifically on campaign and contingency planning, force development, and intelligence. Since, according to the NSC, the national defence planning of Georgia is based on the Total Defence principle, which implies intensive interagency cooperation and a broad involvement of society in the defence of the country, the NDS should be a national level document developed by the Government of Georgia and signed by the Prime Minister. The NDS will be used in the defence resource management process to establish the objectives for the capability development plans (defence force structure, force modernization, business processes, supporting infrastructure, and required resources) to identify and produce the capabilities required by the warfighters to support the NSC. As previously stated, reviewing existing policies and strategies or developing new ones can be done on two bases: calendar-driven or event-driven. In particular circumstances (in the case of significant events or changes), a strategic defence review should be conducted, in which the whole government will be involved and which will address various aspects of national security and defence. The NDS will inform the National Military Strategy (NMS).

The government-approved National Defence Preparedness Plan (NDPP) will comprise a set of time-bound action plans of the agencies responsible for fulfilling the goals and tasks determined by the NDS and NSC.

The National Military Strategy (NMS), issued by the Minister of Defence and Chief of Defence Forces, will provide the military advice for how the Defence Forces implement the defence objectives articulated in the NDS and the directions from the government. It will provide strategic direction for the main processes, namely: *Force employment*, which addresses planning, force management, and decision-making to fulfil the defence objectives of the NDS; *Force development*, which adapts functions, capabilities, and concepts to improve the current Defence Forces; and *Force design*, which innovates to enable the Defence Forces to do what they do differently to retain a competitive advantage against potential adversaries. Like the NDS, the NMS should be a national level document as well, since, according to the Law of Georgia "On the Defence of Georgia", the Georgian Defence Forces during martial law will include units from the Ministry of Internal Affairs, the State Security Service, and the Ministry of Justice of Georgia (POG, 1997).

Based on the analysis of the aforementioned national level defence/military strategic documents, the Defence Planning and Program Guidance (DPPG) should be developed that will reflect the NSC, NDS, and NMS, as well as provide guidance for the medium-term period in the form of priorities, objectives, and fiscal constraints in order to formulate the Major Force Program (Defence Forces Capabilities) with its constituent capabilities development plans and subprograms; and the Major Support Program (Defence Policy, Administration, Education, and General Support) with its constituent supporting services development plans and subprograms. The DPPG will be an agency (ministry) level document that will be approved by the Minister of Defence and Chief of Defence Forces and updated annually. It is critical that the DPPG provide detailed information on program/subprogram outputs and outcomes, performance indicators (including target readiness levels of GDF units), as well as procurement objectives and descriptions of tolerable risks.³ Thus, the entire document or a significant part of it must be classified.

As mentioned above, the DPPG will delineate how the Defence Forces will support the NMS, NDS, and eventually the NSC.

The capability planning process should determine and prioritize the means (capability requirements, derived from analyses of strategic policy guidance, scenarios, and concepts) necessary to develop the future force structure in accordance with the minister's policy guidance and known fiscal restraints. The process should result in the approval of the capability development plans and should be completed well in advance to inform the programming and budgeting processes. Priority capability requirements should be translated into the objectives of the defence programs (or subprograms) in question.

According to Taylor and Boggs (2011), "ideally the government's strategic objectives [should be] matched to capabilities and resources to either change or maintain those capabilities" (p. 3). Programming must provide a critical link between capability planning and budgeting and produce a program plan "that allocates resources (inputs) to force elements over time in order to create capability (outputs)" and enables "decision makers to understand the costs and trade-offs required to implement a capability proposal" (Taliaferro et al., 2019, p. 52). Thus, inadequate program design, along with a lack of a clear link between allocated resources and outputs/capabilities (force elements with integrated capability components) and outcomes (national defence objectives) for the short- and mid-term perspective, may also lead to a gap between defence strategy, capability development, and budgeting, resulting in unaffordable or incapable defence forces. As a result, this can undermine the efficiency and effectiveness of the entire defence resource management process⁴ and lead to a situation where planned/expended resources produce products/outputs that do not fully support the outcomes, namely the defence objectives (tasks) set by the government. It can also lead to the so-called „watermelon effect," when the outputs (activities) meet certain targets but the outcomes are not achieved or only partially achieved.

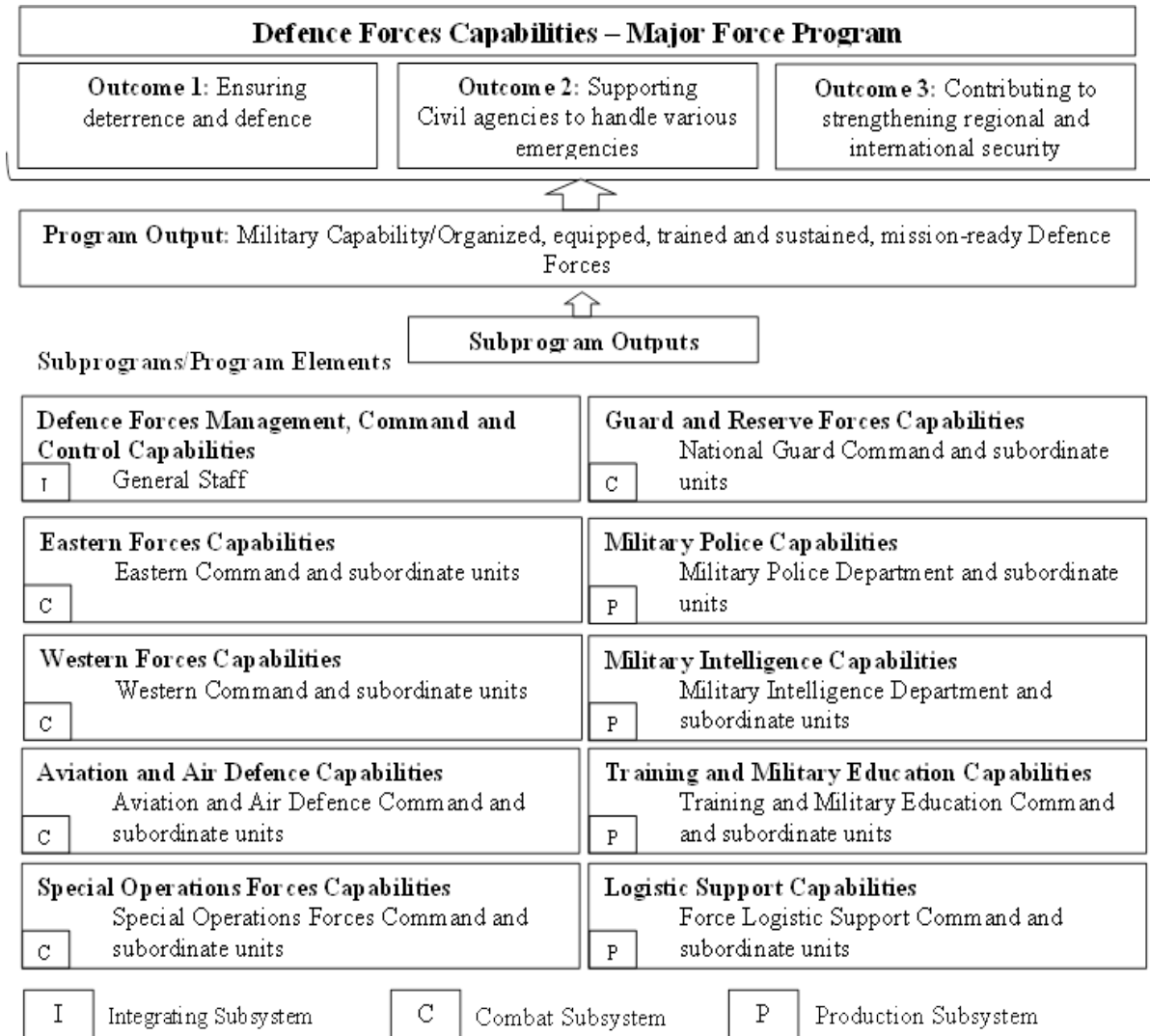
³ In this regard, the current Defence Program Guidance of the MOD of Georgia is quite a "hollow" document. Available in Georgian from: <https://tiny-url.com/2s48zw3r>

⁴ „Defence resource management," as used here, includes a range of activities, from the definition of mid- to long-term defence objectives, through the formulation of intermediate plans to achieve those objectives, to the development and execution of annual budgets that implement the plans, and finally to the collection and review of data on the results of actual expenditures and the adjustment of the plans to recognize those results. (See Gordon, C.V. & Hinkle, V.P. (2011). *Best Practices in Defence Resource Management*. Institute for Defence Analyses, p. 2. Available from: <https://apps.dtic.mil/sti/pdfs/ADA541650.pdf>)

As Okromtchedlishvili (2022) suggested, the current program structure of the MOD of Georgia does not fully comply with the most basic principles of the development of programs. Therefore, it does not provide a clear link between allocated resources and outputs/capabilities (force elements with integrated capability components) and outcomes (national defence objectives) for a short-and mid-term perspective, which can lead to a gap between defence strategy, capability development, and budget, as mentioned above. The updated defence program structure (see Figures 4 and 5) was proposed to bring the defence program structure in line with the fundamental principle of program development, which implies that, to serve their intended purpose, programs should be *results-based* to the maximum possible extent. The *subprograms* that make up the proposed *Major Force Program – Defence Forces Capabilities Program* are grouped as *intermediate outputs* (products or services) that constitute the *main output* of the defence program, *Military Capability*, and share the *common outcome* – the achievement or contribution to the achievement of the *national defence objectives* (tasks) specified in the national defence policy documents (see Figure 4). The Major Force Program organizes defence subprograms as combinations of assets, activities, and services along with the financial inputs they require to create capabilities. The updated defence program structure describes the Georgian Defence Forces and its elements in terms that can be quantified by cost (inputs) and capabilities (outputs), and enables defence leaders to manage both cost and performance and compare the costs and benefits of spending alternatives in order to choose the most efficient and effective ones.

As such, the proposed defence program structure provides a clear link between defence policy and strategy, capability development, and budgeting, which is critical to the effective management of limited defence resources.

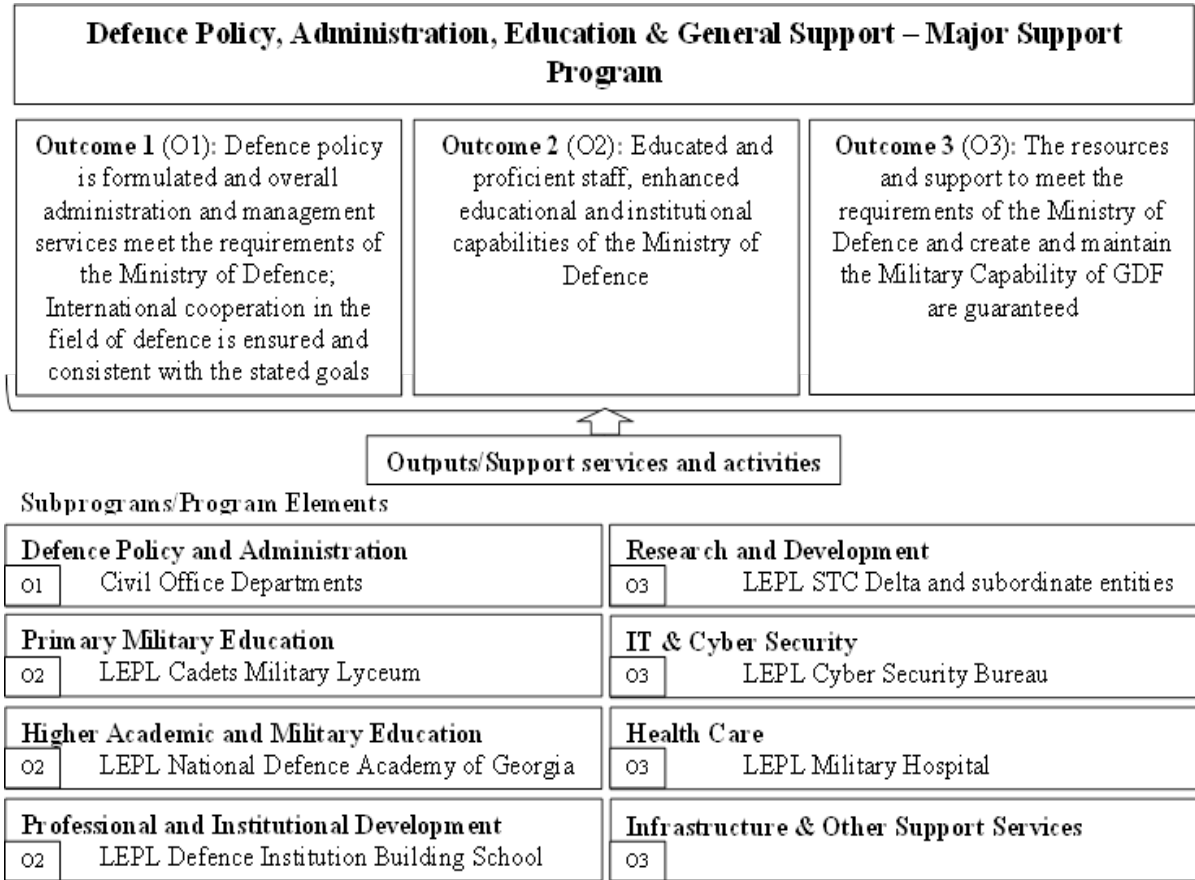
Figure 4: Sample Major Force Program Structure for the MOD



Source: Okromtchedlishvili, I. (2022). Proposals on Defence Program Structure: The Case of the Ministry of Defence of Georgia. *Journal of Defence Resources Management (JoDRM)*, vol. 13, issue no. 1 (24), pp. 88-105. Available at: <http://www.jodrm.eu/currentissue.html>

Structural units not included in the GDF are combined as subprograms into the Major Support Program, as shown in Figure 5. The program includes the development of overarching and internal policies and strategies; ensuring international cooperation in the field of defence; and the provision of administrative, managerial and specialized support services to defense organizations (Okromtchedlishvili, 2022).

Figure 5: Sample Major Support Program Structure for the MOD



Source: Okromtchedlishvili, I. (2022). Proposals on Defence Program Structure: The Case of the Ministry of Defence of Georgia. *Journal of Defence Resources Management (JoDRM)*, vol. 13, issue no. 1 (24), pp. 88-105. Available at: <http://www.jodrm.eu/currentissue.html>

With regard to the development plans of the MOD of Georgia, according to the methodology of program budgeting, the Ministry must annually approve medium-term action plans within its programs/subprograms, which should be derived from the country's Basic Data and Directions Document (BDD), national defence policy/strategy documents, and goals or objectives determined directly by the Ministry's regulations. The action plan is a 4-year document that needs to be updated every year (MOF, 2011).

On the other hand, according to the SDR document, the MOD develops the Strategic Defence Review implementation plan 2021-2025 (so-called SDR IP), which includes all important activities, related budgets, responsible departments (units), expected outcomes and indicators, and anticipated risks, and is updated annually. Thus, *the Ministry is simultaneously developing two medium-term development plans, which looks very unusual, and the expediency and rationality of such an approach raises serious doubts.*

If the proposed updated defence program structure is implemented, in response to the DPPG, the commanders and heads of structural units (subprogram managers) will prepare specific plans for units (organizations) in the form of *medium-term Capability Development or Supporting Services Development Plans to shape the Major Force and Major Support Programs and ultimately produce the defence budget request.* The medium-term Capability Development and Supporting Services Development Plans, in accordance with the program budgeting methodology, will be annually reviewed and updated by program/subprogram managers and specific structural units within the Ministry. As such, *there will be a kind of limited examination of current defence policy and strategy (so-called "calendar-driven review") focusing on security, financial, and legal or public policy changes that have taken place since the last review.*

Along with medium-term planning, it is also advisable, based on the experience of developed countries, to intensify efforts to improve the culture of long-term capability planning in the MOD system.

5. Conclusion

Defence budgets should be prepared in compliance with the guidelines set out in the national security and defence policy and strategy. Defence policy and strategy documents must be properly organized and well drafted to provide the necessary basis and framework for defence planning processes, namely capability planning, program planning, budget planning, and ultimately budget execution.

In the 21st century, it is also important that defence policy and strategy be organized in a way that is understandable to citizens. As Chuter (2011) noted, "the days when the military could present itself as an arcane priesthood with a privileged insight into deep mysteries have long gone." If the defence sector wants to be respected and understood by the population, it must be able to propose its arguments, including those related to budgeting issues, "in terms that ordinary people understand", since "after all, these ordinary people are voters and taxpayers" (p. 102).

The MOD of Georgia, in principle, like a defence institution of any country, is only successful to the extent that it produces one primary output: *Military Capability* - organized, equipped, trained, and sustained, mission-ready defence forces. Therefore, each dollar (or lari⁵) spent on defence must produce or support the production of military capability and readiness (directly or indirectly), and the link (direct or indirect) between the money spent and "produced" military capability and the readiness level delivered should be clear, convincing, and traceable.

This article has reviewed Georgia's current defence policy, strategy, and planning hierarchy. As a result of the study, it was proposed to carefully reconsider the existence of the Strategic Defence Review (SDR) in its current form (as an agency level document of the Ministry of Defence of Georgia), especially when Georgian legislation provides for the National Defence Strategy (NDS) as a national (strategic) level conceptual document. An updated hierarchy of Georgia's defence policy, strategy and planning documents was also proposed to streamline the capability planning, programming and budgeting processes, and to provide a clearer link between defence policy and strategy and the defence budget.

Defence organizations must optimize costs and develop operational excellence in a resource-constrained environment. It is vital to organize, design, and manage activities according to organizational objectives, which must be clearly articulated in defence policy, strategy and planning documents. It is also crucial for defence leaders at all levels to depart from the previous financial management culture that focused on inputs, with decisions regarding budget planning and execution driven by the mantra of maximizing the budget. Driven by national defence policy and strategy objectives, they should formulate efficient, effective, and timely decisions to achieve the best outputs and outcomes within available resources, as the modern cost culture requires the defence community to optimize the use of financial resources by focusing on outputs and outcomes.

Finally, I would like to emphasize that it does not matter much the presence of a large number of various specially (sometimes colourfully) entitled national security and defence policy and strategy documents. Rather, it is important to have a logical, simple and understandable hierarchy of documents that define, outline and agree on national security and defence priorities and the expected role of the military in achieving them. This may be indicated in official national policy, security and defence directives and legislation, or may be obtained from other sources.

Disclaimer: The views represented in this paper are those of the author and don't reflect the official policy or position of the Ministry of Defense of Georgia.

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5 The Georgian lari is the sole legal tender on the territory of Georgia except for cases envisaged by the Law of Georgia on Free Industrial Zones. Available at: <https://tinyurl.com/2p87bph2>

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