

National Legislation

The Legal Framework and the Defence System

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Systems and Concepts

- Act that dictates Regulations on Mobilization (No 18.953 1990/03/09).
- Act that establishes rules on Chilean troops' involvement in peace operations (N° 19.067 1991/07/01. Last amendment: Act N° 20.297 – 2008/12/13).
- Act on the National Intelligence System; creates the National Intelligence Agency (N
 ^o 19.974 2004/10/02).
- Ministry of National Defence Organization Statute (N° 20.424 2010/02/04. Last amendment: DFL N° 2011/03/11).
- Act on the creation of the Ministry of the Interior and Public Security (N° 20.502 2011/02/21).

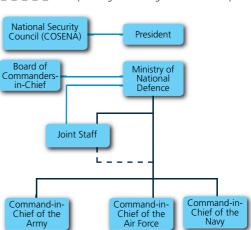
Military Organization

- Code of Military Justice (Decree-Law N° 806 1925/12/23. Last amendment: Act N° 20.477 –2010/12/30).
- Reserved Copper Law (N° 13.196 1958/01/01).*
- Act authorizing the President of the Republic the disposition of State-owned Lands and Real Estate used by the Armed Forces (N° 17.174 - 1969/08/21. Last amendment: DL N° 1.195 - 1975/11/01).
- Act on Rules for the Execution of Works designated for Exclusive Military Use (N° 17.502 1971/11/12).
- \bullet Decree-Law on the Recruiting and Mobilization of the Armed Forces (N° 2.306 1978/09/12. Last amendment: Law N° 20.045 2005/03/10).
- Decree Law of the Military Public Ministry (N° 3.425 1980/06/14).
- Organic Law on ASMAR, Shipbuilding and Ship Repair Company (N° 18.296 1984/02/07. Last Amendment: Act N° 18.899 – 1989/12/30).
- Organic Law on ENAER, Chile's National Aeronautical Company (N° 18.297 –1984/03/16. Last amendment: Act N° 19.113 – 1992/01/14).
- \bullet Decree that establishes Regulations on the Constitution, Mission, Reporting and Responsibilities of the Armed Forces (DS N° 272 1985/03/16).
- Act on National Defence Staff Pension System (N° 18.458 1985/11/11. Last amendment: Act N° 20.369 – 2009/09/17).
- Act for Armed Forces' Social Welfare Service Statute (No 18.712 1988/06/04).
- \bullet Act establishing the Authority of the Army Military Industry and Engineering Command (N° 18.723 1988/07/12).
- \bullet Organic Law on FAMAE, Army Factories and Arsenals (N° 18.912 1990/02/16).
- Constitutional Organic Law of the Armed Forces (№ 18.948 1990/02/27. Last amendment: Act № 20.424 – 2010/02/04).
- \bullet Act on the Armed Forces Health System (N° 19.465 1996/08/02).
- Decree having force of law which establishes Armed Forces Staff's Statute (DFL N° 1 1997/10/27. Last amendment: DFL N° 1 - 2009/05/12).
- Act that modernizes the Mandatory Military Service (N° 20.045 2005/09/10).
- Act on Staff and Professional Troops of the Armed Forces (N° 20.303 2008/12/04).
- Act of War Crimes and Crimes against Humanity (N° 20.357 2009/07/18).

Source: Compilation based on the legislation above mentioned

Advisory and assistance functional relationship
Command reporting line

_ _ _ Joint planning and management relationship



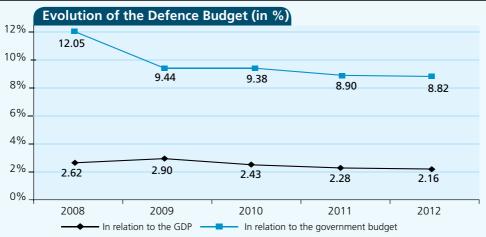
The President may require the advice of the National Security Council, composed of the Chairmen of the Senate, the House of Representatives and the Supreme Court, the Commanders-in-Chief of the Armed Forces, the General Director of Carabineros and the General Comptroller of the Republic. The Armed Forces are under the jurisdiction of Ministry of Defence. The Minister is advised by the Commanders in Chief Committee, composed of the Chairman of the Joint Chiefs of Staff and the Commanders of the Armed Forces, and the Joint Staff, responsible for the joint preparation and employment of the Armed Forces. The Congress holds the powers granted by the Constitution and permanently monitors defence related issues through the Defence Committees in both Houses.

Source: Compilation based on the Political Constitution, Ley del Estatuto Orgánico del Ministerio de Defensa Nacional (N° 20.424 – 2010/02/04 Last amendment: DFL N°1 – 2011/03/11) and Libro de la Defensa Nacional, 2010.

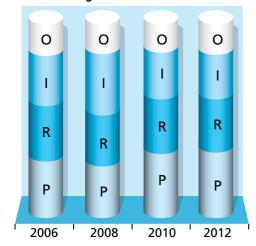
* As of September 2012, a bill for amending the Reserved Copper Law had been discussed in the House of Representatives awaiting a debate in the Senate.

The Budget

Year	Defence Budget (in US\$)	Government Budget (in US\$)	GDP (in US\$)
2008	4,459,645,809	37,017,804,099	169,919,000,000
2009	4,353,450,717	46,105,933,786	150,361,000,000
2010	4,778,329,754	50,953,560,313	196,451,000,000
2011	5,531,192,182	62,138,177,229	243,049,000,000
2012	5,878,940,198	66,659,941,564	272,119,000,000

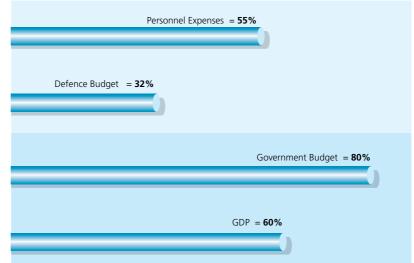


Defence Budget Breakdown



P: Salaries and other benefits R: Retirement and pension funds / I: Investment
O: Other expenses

Comparative Increase (% variation 2008-2012)

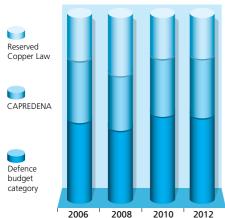


Defence Budget 2012 (in Local Currency)

Items	Personnel*	Consumer Goods and Services	Other**	TOTAL
Ministry of Defence				
Office of the Under Secretary for the Armed Forces	5,604,191,880	2,583,560,600	513,547,000	8,701,299,480
Undersecretary of Defence	1,627,667,940	575,572,920	803,309,000	3,006,549,860
Joint Staff	564,823,340	769,773,060	18,335,473,580	19,670,069,980
Army of Chile	360,193,474,460	65,050,454,960	11,904,338,420	437,148,267,840
Health Organizations	29,842,413,000	23,405,215,000	7,905,501,000	61,153,129,000
Military Industry Organizations	1,885,664,000	908,866,000	279,583,000	3,074,113,000
Navy of Chile	229,977,107,620	87,927,497,100	5,470,237,760	323,374,842,480
General Directorate of Maritime Territory	12,603,947,000	25,110,051,000	11,798,601,000	49,512,599,000
Directorate of Health Services	19,167,853,000	33,660,847,000	5,789,107,000	58,617,807,000
Air Force of Chile (FACH)	137,731,737,880	58,023,708,920	3,810,070,140	199,565,516,940
FACH Health Organisms	10,492,658,000	11,034,135,000	1,433,248,000	22,960,041,000
General Directorate of National Mobilization	1,021,447,000	1,118,104,000	2,574,012,000	4,713,563,000
Military Geographic Institute	1,968,101,000	1,333,580,000	157,192,000	3,458,873,000
Hydrography and Oceanography Service of the Navy	1,840,990,000	1,748,989,000	2,035,576,000	5,625,555,000
General Directorate of Civil Aviation	61,312,467,000	18,271,949,000	30,863,625,000	110,448,041,000
FACH Aerophotogrametric Service	727,317,000	1,019,437,000	84,059,000	1,830,813,000
Ministry of Labour and Social Security				
Retirement Fund for National Defence	792,147,847,000	3,441,867,000	114,715,210,000	910,304,924,000
(Caja de Previsión de la Defensa Nacional)				
Subtotal	1,668,709,707,120	335,983,607,560	218,472,689,900	2,223,166,004,580
Extra-budgetary funds				
Codelco-Reserved Copper Law				578,149,000,000
TOTAL				2,801,315,004,580

^{*} Includes supply of social services.

Composition of the Defence Budget



Strategic Contingency Fund

In 2011,a new form of managing and controlling the funds granted through the Reserved Copper Law was implemented. Every year, the Government approves a specific expenditure amount which, according to the directives provided by the Ministry of Defense, is exclusively allocated for the acquisition of equipment and infrastructure for the Armed Forces. The funds not used during the fiscal year under consideration are allocated to the newly created Strategic Contingency Fund (FCE) managed by the Ministry of Economy.

A Fiscal Agency especially created in the Central Bank is responsible for investing these funds in the capital market to gain higher interests. The FCE is the third "Sovereign Fund", together with the Pension Reserve Fund (PRF) and the Economic and Social Stabilization Fund (ESSF), aimed at improving the management of national savings.

As of 2012, the Carabineros, the Hospital of the Carabineros and the Investigation Police budgets have been excluded from the Ministry of Defence's budget as a result of the change in jurisdiction of these agencies.

Source: Compilation based on Ley de presupuesto del sector público para el año 2008, 2009, 2010, 2011 and 2012. The Government Budget passed by Congress by means of the above-mentioned Act is considered herein. The concept of investment is that expressed in "Acquisition of non-financial assets" and "Investment initiatives", and revenues for the Reserved Copper Law.

Extra-budgetary funds: Estadisticas de las Finanzas Públicas y Estado de Operaciones de Gobierno: 1990 -2011. Gobierno Central Extrapresupuestario. Budget Directorate, Ministry of Economy of the Republic of Chile. FCE: Websites of the National Ministry of Defence and the Ministry of Economy.

GDP: Projection of the World Economic Outlook Database, IMF, of each year under review. This source has been taken for comparative purposes. Each country prepares the budget based on its own GDP estima-

In the case of tables expressed in national currency for the budget amounts expressed in dollars, an average exchange rate of 492.82 as of June has been used; this rate was calculated based on figures provided by the Central Bank of Chile.

Expressions in Bold Type (Table) make reference to the various defence budget items, which can be found in a sector-based or institutional classification of the Budget Act.

^{**} Current and capital transfers, tax payments, other current expenses, acquisition of financial and non-financial assets, investment initiatives, loans, debt service and cash final balance. CAPREDENA's acquisition of financial assets and loans are not considered.



The Ministry of National Defence

Date of Foundation:

1932

Current Minister

(September 2012): Andrés Allamand

Can military members be Ministers of Defence?

Yes (if they have retired)

Number of military members who were Ministers of Defence

18

Number of civilians who were Ministers of Defence

33

Have there been any women in charge of the Ministry of Defence?

Yes (Michelle Bachelet, 2002-2004 and Vivianne Blanlot, 2006-2007)

Average permanence in the Minister of Defence position

1 year and 6 months

[The creation date is related to the moment in which the term "Defence" becomes part of the Institution's name]

Source: Information provided by the Ministry of National Defence.

In 2011, Act N° 20.502 established the effective creation of the Ministry of the Interior and Public Security and the transfer of Carabineros and the Investigation Police agencies to its jurisdiction. The Office of the Under Secretary of the Interior replaces the Offices of the Under Secretary of Carabineros and Investigations in all legal, regulatory and contractual matters.

Organization Chart Joint Chiefs of Staff Committee Advisory body on Armed Forces common matters. **Minister of Defence** Staff Advices the Minister on legal, legislative, public affairs, political and strategic, and economic and financial issues and performs Military Aid control and internal auditing tasks. Joint Staff Office of the Under Secretary of Defence Body that permanently works, and provides advice, on all matters related to the development Secretary for the Armed Forces This office provides immediate assistance to the Minister of Defence on defence It assists in policy formulation and administrative issues and processes' policy matters. It recommends defence and joint employment of the Armed Forces. and military policies to the Minister and is responsible for their management. It recommends financial and budgetary plans and analyzes updating, as well as for the assessment of acquisitions and investment projects' risks and threats to the country's external funding. security. Department of Plans and Department of Institutional **Policies** Affairs Department of Project Legal Department Evaluation Audit Department of International Department Relations Administrative Department Department of Technological Development Department of **Budgets and** Finance

Bilateral agreements signed between 2010-2012:

Memorandums on defence cooperation with Paraguay (2011), Colombia (2011), and Canada (2012).

Addendum to the memorandum of understanding for the Joint Engineer Campaign in MINUSTAVA, signed with Ecuador (2012).

Cooperation agreement on citizen security and disaster prevention, signed with Ecuador (2011).

Memorandum on the Argentina-Chilean Binational Peace Force "Cruz del Sur" (2010).

Agreement on mutual protection of secret information related to the technical and military cooperation with Russia (2010).

Cooperation agreement on security and defence with China (2011).

Memorandum on defence industry cooperation with Turkey (2012).

in humanitarian demining activities, signed
with Argentina (2012).

Sociamento Orgánico del Estatuto Orgánico del Ministerio de Defensa Nacio

Source: Compilation based on *Decreto que aprueba el Reglamento Orgánico del Estatuto Orgánico del Ministerio de Defensa Nacional* (Nº 248 –2012/01/27); *Ley del Estatuto Orgánico del Ministerio de Defensa Nacional* (Nº 20.424 –2010/02/04. Last Amendment: DFL Nº1 - 2011/03/11); and websites of the Chilean Ministry of Defence and Chilean Embassy in the Russian Federation.

Memorandum on evaluation of emergencies

Political Definitions

Policy Guidelines

Chile's Defence Policy is framed within the following general State principles:

The Chilean State nurtures no aggressive purposes against any of the world's nations, nor does it have any territorial claims against its neighbours.

Its desire is to protect its citizens, defend national interests, and safeguard its political independence, national sovereignty and territorial integrity.

It has the responsibility to maintain sufficient military capacity to help attain the country's interests and goals, carefully ensuring that such military capability is proportional to the development of the other country's capacities.

It has the right and the responsibility to use all national resources, particularly its warfare power, if necessary, to defend the country and safeguard national interests in countering external threats.

The State must promote citizen commitment to national defence, considering, among other objectives, the necessary requirements of mandatory military service, fulfilment of national mobilization demands and needs for sustaining reserve capabilities and abilities.

For the Chilean State –as well as for all States in general–, its relative geographic situation continues to be a major factor in the formulation of its defence policy.

It frames its defence policy entirely within the institutional legal framework in effect in the country, and recognizes and honours all treaties and international agreements that fall under such framework.

For the Chilean State, it is especially important and convenient to maintain a close and coordinated relationship between its defence and foreign policies, by complementing and enhancing each other, though the defence policy should actually act in support of the latter.

The State maintains its commitment to contribute to defence and promote international peace, in line with national interests.

Keeping the Antarctica as a demilitarized and denuclearized area is a priority of the Chilean defence policy.

Doctrinarian Principles (Highlights):

Chile's defence will be mainly supported by its own national power, without prejudice to its adherence to security/defence alliances or coalitions.

In cases in which Chile uses its force, whether unilaterally or by integrating a multilateral action, it shall respect the United Nations Charter and be governed by International Humanitarian Law, ensuring the respect of human rights of all the people.

Charter and be governed by International Humanitarian Law, ensuring the respect of human rights of all the people.
The National Defence will also cooperate to maintain international peace and stability by participating in multinational operations, according to the national interest.

Action plan for 2012 -Highlights

Maintain the defensive and deterrence capacity of the Armed Forces and improve the national crisis warning and prevention mechanisms.

Complete the first National Strategy on Security and Defence.

Promote the legislative debate on the new defence funding bill.

Keep the Argentina-Chile Binational Peace Force "Cruz del Sur" at the disposal of the United Nations.

Bill to address the Armed Forces pension system's distortions.

Start the execution of the ministry's plan related to the Chilean Antarctic territory with the purpose of modernizing the national infrastructure and achieving a higher projection of the country's presence in that continent.

Define, in coordination with the South American Defence Council (CDS), the schedule for the gradual reduction of the Chilean military forces deployed in Haiti.

Manage the CDS's work team set up to study the common model to make defence inventories more transparent. Continue the demining process.

2013 – 2014 Programme

Complete the repair/reconstruction work of the Navy infrastructure damaged by the earthquake and tsunami that struck on February 27, 2010.

Propose a bill to modify the military justice system and organization, in collaboration with the Ministry of Justice.

Related actions (2011-2012)

- Approval of the Ministry of Defence's organization and operational rules.
- 30.2% progress in humanitarian demining.
- Starting the legislative discussion of the Reserved Copper Law reform bill.

Chile published the Libro de la Defensa Nacional (Book of National Defence) in 1997, 2002 and 2010. In 2012, the President submitted a National Strategy on Security and Defence to the National Congress.

Source: Compilation based on information provided by the Libro de la Defensa Nacional de Chile, 2010 and Cuenta Pública del Ministerio de Defensa Nacional, 2011.

General Mission

The Armed Forces' basic mission is the defence of the Motherland; they are essential for national security. The safeguard of public order during elections and plebiscites shall also be their responsibility.

. (Constitution, Sec. 101 and 18)

The general mission of the Armed Forces is to contribute to maintaining national sovereignty and territorial integrity, as well as to protect the people, institutions and vital interests of the country in the face of any threat or external pressure. They shall also cooperate with the military forces of other countries in bilateral or multilateral initiatives, always in line with the national interest.

(Libro de la Defensa Nacional, 2010)

The Joint Staff is responsible for the military command of ground, naval, air and joint forces assigned to operations according to the national defence secondary planning. It has command over the troops and various means involved in peace missions.

The Armed Forces

Specific Missions



Army

The rationale of the Army is to contribute in a substantial manner to preserving peace. Its main mission is to ensure national sovereignty, maintain the territorial integrity and protect the people, institutions and vital resources of the country, in the face of any external threat or aggression, as well as to become an important tool of Chile's foreign policy.

gression, as well as to become an important tool of Chile's foreign policy. It participates and contributes in many ways and varied intensity in international security and cooperation according to the national interest in compliance with international treaties.



Navy

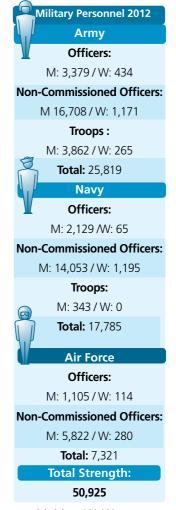
Its mission is to contribute to safeguarding the national sovereignty and territorial integrity, maintain security of the Nation, promote national development and support national interests abroad.

Air Force



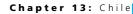
The mission of the Air Force is to defend the country through the control and use of the air space, the participation in surface warfare and support to the national and friendly forces. Likewise, in times of peace, it fulfils cooperation activities to support the national development, international projection, cooperation to deterrence, among others.

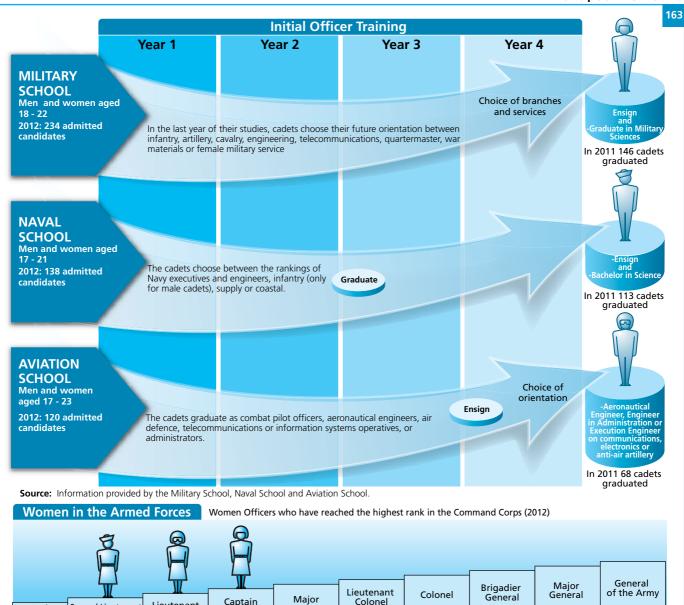
Armed Forces Deployment IV Naval Zone I Air Brigade VI Army Division I Army Division V Air Brigade I Naval Zone II Air Brigade II Army Division II Naval Zone III Army Division V Naval Zone III Air Brigade IV Army Division IV Air Brigade III Naval Zone V Army Division



M: Men- W: Women

Source: *Libro de la Defensa Nacional*, 2010 (missions and deployment) and information provided by the Ministry of National Defence (regular forces).





Note: These ranks correspond to the Army, as an example. The equivalent rank for Lieutenant is Lieutenant (Air Force) and for Second Lieutenant is Lieutenant

Colonel

Junior Grade (Navy).
The Command corps includes officers who have been educated at military academies from the beginning of their careers, different to those who develop a career in the civilian sphere and are then incorporated to the military.

Captain

6.91 % (3,524) of the total Armed Forces are women.

Source: Compilation based on information provided by the Ministry of National Defence

Military Service

Military service is established for a maximum of two years. Women may enter the service voluntarily. The vacancy for conscripts is determined by the President, based on the Armed Forces requirement.

Lieutenant

As reported, in 2011 the Armed Forces reached their expected guota for the sixth year in a row with 100% voluntary soldiers to the Military Service, without the need to make a final draw for non-voluntary citizens

By 2012, the general quota for the Armed Forces rose to 12,170:

Ensign Second Lieutenant

	Men	Women
Army	10,248	842
Navy	620	-
Air Force	460	-

Total men	11,328
Total women	842

Total number of volunteers that applied to military service for 2012: 21,104 applicants.

This figure fell 32.13%, accounting for 7,414 men, due to pending health, social and economic problems and legal issues.

Professional Troops include both young soldiers from the Military Service as well as Reservists, who are admitted into the institution with the rank of Private, for a non-extended period of 5 years, to serve in different military units of the

At the end of the third year, these may choose to enter the NCO School, after taking up a special training course, and graduate the following year as Army Class

In 2011, the Air Force created the professional troop department, under the personnel command, with the purpose of managing the recruitment of professional troops for the aviation infantry units, enabling the admission of 60 young candidates to the professional troop corps of the institution.

Source: Ley que moderniza el servicio militar obligatorio (Nº 20.045 -2005/09/10), Cuenta Pública del Ministerio de Defensa Nacional (Public Account of the Ministry of National Defence (2011) and websites of the Armed Forces and the General Directorate of National Mobilization.



Activities in which Defence is related to:

Social Development Interior Public Security Foreign Affairs

> D/S N°155 (1977) The National

Emergency Plan determines the specific functions of

the Armed Forces

during a crisis

Support in natural disasters

Support Activities

Defence and national and international community

The **National Civil Protection Plan for Disaster Relief** (*Plan Nacional de Protección Civil frente a Desastres*), developed by the Ministry of the Interior, provides for a multi-agency planning on civil protection to act in case of natural disasters. The provisions of such plan are executed through the National Emergency Office, ONEMI, (under the Ministry of the Interior), which sets up Civil Protection Committees at the regional, state and city levels. For each stratum, the Committees are represented by the various services, agencies and each of the Armed Forces and the Carabineros of the respective jurisdiction.

Institutional Framework The President can dispose the Armed President's Office Forces in natural disasters upon declaration of a state Ministry of the Interior ONEMI of catastrophe Regional Officer (Armed **Regional Government** Forces, Carabineros, services and agencies). Joint Staff **Emergency Operations Committee** Provincial Office (Armed Province Governo Forces, Carabineros, services ar agencies). Defence Operations Centre **Emergency Operations Committee** Communal Officer (Armed Municipality Forces, Carabineros, services and agencies). Authority Advise Operational **Emergency Operations Committee** Reationship

At the closing of this edition (September 2012) the bill creating the National Civil Protection Agency, to succeed the ONEMI, was being debated. This new agency would be responsible for coordinating and executing emergency prevention and civil protection actions, as well as to advise the senior leadership on emergency planning and civil protection work. The bill creates the National Civil Protection Council as a multi-agency body responsible for advising the Minister of the Interior and Public Security in the elaboration of the National Civil Protection Strategy.

Source: Annual Report of the Chilean Army (2010) and Documento Apoyo de las Fuerzas Armadas en catástrofe nacional (2010).

Support Actions (2011-2012)

- Organization of forest fire brigades to support firefighting efforts in 59 missions (500 members and logistic support material such as ambulances, health care centres, water trucks and field kitchens to contribute to fire control in regions of Maule and Biobío).
- Publishing (Military Geographic Institute) of a series of geographic and thematic mapping atlases aimed at improving the integrated information system in case of natural disasters.
- Support to evacuation efforts and monitoring of affected areas during the eruption of Hudson volcano.
- Support to 48 maritime emergencies with 326 lives at risk and 23 medical evacuations from remote areas in contribution to the Health Services of Reloncaví, Chiloé and Aysén.
- Execution of the first phase of the TSUNAMICART 2011-2015 project for the upgrading of the national alert system for sea quakes, recovery of tsunami flooding charts and national nautical mapping.
- Deployment of 15,832 Army troops after the earthquake.
- Construction of 85 government houses for officers and 52 houses of mariners after the earthquake.
- Formulation of the Plan for Employment of Army Means in case of Emergencies, Disasters and Catastrophes.
- Plan Calle: participation of the Army and Navy in coordination with the Ministry of Social Development and the National Emergency Office (shelter management and medical equipment provision).
- \bullet Support to Dakar 2012 international racing competition.
- Job Training of 5,770 conscripts under an agreement signed with the National Training and Employment Service.
- Deployment of the Modular Field Hospital (to deal with respiratory diseases).
- 36 medical rounds in the area of Chiloé and dental support in Melinka with Videla surgery ship.
 Medical and dental operation Rapa Nui-2011 (1,514 scheduled surgeries / 2,787 executed surgeries).
- 3,209 people participating in Training on Anticorruption Policies and Procedures (2010).
- Transfer of 1,268 passengers and 1,767 tones of cargo (2010) from remote communities.
- Packaging of family boxes for donation with Caritas charity.
- Support to "Un Techo para Chile" housing campaign in Rancagua.

Source: Cuenta Pública (Public Account) of the Ministry of National Defence (2010 y 2011), Annual Report of the Chilean Army (2010) and web site of the Senate.

Defence and National and International Community

Participation in Peace Operations

	Military Component			
Current Missions	MEM		MC	
	Men	Women	Men	Women
MINUSTAH (Haiti)	-	-	494	11
UNFICYP (Cyprus)	-	-	15	-
UNMOGIP (India and Pakistan)	2	-	-	-
UNTSO (Israel and Palestine)	3	-	-	- /

MEM: Military Experts on Mission, including military observers, judge advocates and military liaison officers, among others- MC: Military Contingent

Chile contributes 525 military troops to the UN peacekeeping operations, which represents 7.35% of the total Latin American contribution.

Source: Statistics on contribution of military and police personnel to United Nations operations, Department of Peacekeeping Operations of the United Nations, July 2012.

The CECOPAC (Joint PKO Training Centre of Chile), was created in July 2002.



In December 2011, the Senate approved a request to extend for one more year (as of January 2012) the presence of the national contingent at the European Union Mission EUFOR-ALTHEA in Bosnia-Herzegovina, with a total of 17 men.

Analysis:

Military Funding is a Matter of Debate in Chile

María Inés Ruz

Magister in International Studies University of Chile Former advisor to the Ministry of Defense

The telluric movements characterizing both the geography and politics of Chile have continued at intervals since the last earthquake in 2010. That year, nature displayed its destructive force a few weeks after the presidential elections had caused a shift in the political course of the country. Prior to that, the democratic transformations that made their way through a complex transition process were accompanied by a return to normal civil-to-military relations. Such context helped foster institutional reforms in the defense sector, including initiatives such as the Law of Staff and Professional Troops for the Armed Forces, the rules governing the involvement of Chilean troops in peace operations (2008) and the Organic Law of the National Defense Ministry (2010). However, some significant projects for democratic consolidation were left incomplete, such as the reforms to the military justice system and to the military career, as well as the abolishment of the Reserved Copper Act 13,196.

The national tragedy in 2010 led to a logical stall in the implementation of pending initiatives. In spite of oscillations, at the end of that year the Organic Law of the National Defense Ministry (Law 20,424) became a reality. This set of rules clearly defines the responsibilities and competence of each office and is a fundamental tool for the transformation of the organizational structure of the institution as a whole and for facilitating its adaptation to the new challenges facing the country, both in the domestic and international environments.

In February 2011, the transfer of the Carabineros (Chilean border patrol) and of the Investigations Police from the Ministry of Defense to the Ministry of the Interior and Public Security was effectively implemented. The Chilean Constitution establishes a clear separation between the roles of defense and internal security, and therefore specifies that only the Armed Forces shall fall under the jurisdiction and conduct of the Defense Ministry. To that end, Law 20,424

added a temporary provision to specify that police organizations shall be kept under that area only until the new agency responsible for public security is created.

The Armed Forces Funding Bill, which would abolish the Reserved Copper Act, is the most relevant high-impact initiative introduced in the 2010-2012 period. Its adoption in the House of Representatives caused some seismic movements that makes us anticipate long heated debates in the Senate, since the last government of the Concert of Parties for Democracy (2006-2010) did not succeed in bringing together all pertinent sectors in a formula to finally put an end to the transfer of 10% of all copper export sales made by the *Corporacion Nacional del Cobre* (CODELCO).

This aspect has gained endorsement, supported by the idea of setting up a new mechanism for funding the strategic capabilities of defense. However, the draft bill establishes a multi-annual budget, to be approved every four years, and a minimum 70% of the average expenditures made on military acquisitions during the decade of 2000 and funded by the Law 13,196. The exceptionality of this, compared to the funding allocated to other crucial sectors for the development of the country (such as education), is presently one of the most highly debated issues. The new Bill introduces a Contingency Fund made up of the resources accumulated by the Armed Forces during the last six years, resulting from the difference between the revenues collected by the Reserved Copper Act and the expenditures made on acquisitions. The senior leadership has argued that such funding could allow taking advantage of opportunity sales of weapons, such as materiel decommissioned in other countries and offered at convenient prices. This is, undoubtedly, a controversial issue that demands an answer as to what interests and strategic objectives would actually justify such funding reserves.