DANISH DEFENCE AGREEMENT

2010 – 2014

Copenhagen, 24 June 2009

The Liberal Party, the Social Democratic Party, the Danish People's Party, the Socialist People's Party, the Conservative Party, the Radical Liberal Party and the Liberal Alliance Party have entered into the following agreement regarding Danish Defence for the period 2010-1014.

Introduction

The primary purpose of the Danish Armed Forces is to enforce the sovereignty of the Kingdom of Denmark and to ensure the continued existence and integrity of the country.

In the light of security policy developments in recent decades, the Danish Armed Forces are also assuming an increasing role as one of several important instruments of a pro-active Danish foreign and security policy that, whilst respecting human rights, can contribute to the prevention of conflicts and war as well as the promotion of democracy and freedom in the world.

In this context and in the light of the absence of a conventional threat to Danish territory, the Danish Armed Forces are currently undergoing an extensive transformation from a traditional mobilisation defence to a modern deployable defence force. By international standards, the Danish Armed Forces have progressed far in this transformation process, and it is vital that this process is continued.

Denmark's membership of NATO is a cornerstone of Danish security and defence policy. In a strategic perspective Denmark's sovereignty is secured through NATO's Article 5 commitment to collective defence of Alliance territory. At the same time, NATO provides a framework for the participation of the Danish Armed Forces in international missions. Denmark will thus continue to work in favour of a transformation of the Alliance in tandem with the transformation of the military forces of Member States, seen also in relation to a strengthening of the demands placed by the Alliance on the usability of these military forces.

An active Danish involvement in the UN is another cornerstone of Danish security and defence policy. Denmark should therefore work to ensure that the UN continues to constitute the foundation of the international system as the source for global legitimacy and the establishing of universal norms. Furthermore, Denmark should contribute to enhancing the UN's capability for the conduct of peacekeeping operations. This could be achieved partly through focused cooperation in Nordic circles. The already ongoing Nordic cooperation on the training and instruction of African peacekeeping forces will be continued and intensified, and potential opportunities for joint Nordic peacekeeping operations within the UN framework will similarly be pursued.

Furthermore, in the event of the discontinuation of the Danish EU defence opt-out, the Danish Armed Forces must be able to participate in EU operations outside Union territory relating to peacemaking, peacekeeping, conflict resolution and humanitarian assistance as well as to strengthening international security in accordance with the principles of the UN Charter.

The security policy platform for this agreement is based on the security policy recommendations set out in the report drafted by the 2008 Defence Commission. In relation to the future role of the Danish Armed Forces, it is, amongst other issues, concluded in the report, that the demand for Danish military contributions will not be diminished, and thus a continued transformation of the Danish Armed Forces is absolutely necessary.

Western military forces, including the Danish Armed Forces, must continue to be able to fight conventional conflicts, but there will be an increasing need to be able to participate in other types of conflicts, such as counter-insurgency operations, peacemaking operations and reconstruction efforts.

In summary, the Defence Commission Report recommends that the present national level of ambition regarding the ability of the Danish Armed Forces to contribute to international operations be maintained. On this basis, the level of ambition determined by the political parties behind the Defence Agreement (hereinafter referred to as the Parties to the Defence Agreement) for the Danish Armed Forces is described in the present Defence Agreement's section on the structure and tasks of the Danish Armed Forces, which thus serves as the basis for the Agreement.

At the same time, the Arctic regions are expected to gain increasing international importance. The melting of the polar ice cap as a result of global warming will open new opportunities for the extraction of raw materials and the opening of new shipping routes. The rising activity will change the region's geostrategic dynamic and significance and will therefore in the long term present the Danish Armed Forces with several challenges.

The tasks of the Danish Armed Forces can be divided into national and international tasks.

The national tasks comprise – besides monitoring of the national territory and enforcement of sovereignty – a range of more civilian-oriented tasks in support of Danish society, such as search and rescue operations, environmental tasks as well as providing support to a number of other public authorities, such as the police, the emergency rescue services and the tax authorities.

The international tasks will typically fall within the following main areas: armed conflict, stabilisation tasks and international policing.

In relation to the international tasks, the Defence Commissions Report points out that the Danish Armed Forces' deployable capabilities in principle should be capable of being deployed globally. This means, for example, that the Danish Armed Forces should have the ability to deploy forces in areas which feature demanding climate and terrain conditions, such as desert and mountain areas. In addition, the Danish Armed Forces should be able to operate in areas with limited infrastructure as well as in urbanised areas. Combined, these operational conditions will therefore place great demands on the Danish Armed Forces' personnel, equipment, training, logistical capability and mobility, including for example strategic maritime and air transport capability.

In addition, the Defence Commission Report states that it is expected that the future operational environment will continue to place great demands on the operational units of the Danish Armed Forces, with regard also to training and equipment. Past developments and expected future developments within international operations indicate, for example, that the future operational environment could be characterised by a high threat level. The accompanying need to protect personnel places great demands on the equipment, personnel and training of contingents. At the same time, it is expected that the Danish Armed Forces, in connection with international missions, must increasingly be prepared to encounter both asymmetric instruments of warfare (e.g. improved explosive devices (roadside bombs) and suicide attacks) and more conventional instruments of warfare (e.g. indirect fire from rockets and mortars).

More technologically advanced instruments of warfare, such as long-range rockets and missiles as well as cyberspace attacks against computer systems, must also be expected to be used against Danish contingents from all three armed services.

At the same time, according to the Defence Commission Report, the possibility of having to conduct operations against more conventionally organised and operating opponents still exist. The Parties to the Defence Agreement are in agreement that the Danish Armed Forces must also maintain the ability to fight and win this type of conflict.

The Parties to the Defence Agreement are also in agreement that the developments in line with the Defence Commission Report indicate that the demand for Danish contributions to international operations will not diminish in the future and that such operations will often be long-term

in nature. This underscores the need for the operational capabilities of the Danish Armed Forces – of all services – to be, as a whole, sufficiently robust and capable of a sustained effort in order to support long-termed international engagements. Moreover, in special situations the Danish Armed Forces should possess the ability to deploy additional or larger contingents for shorter periods of time as well as the ability to deploy contingents at short notice in connection with crisis management, humanitarian disasters, evacuation operations, demonstrations of solidarity or of NATO's commitment, etc., which can be ensured through, among other things, participation in NATO´s response forces.

The Defence Commission Report also states that in the future a growing need for the Danish Armed Forces to be able to contribute to military capacity building is foreseen, both preventively in order to prevent conflicts and in parallel with, for example, performing stabilisation tasks during a conflict. At the same time, it is expected that also in the future the objective of stabilisation operations – and to a certain extent armed conflicts – can only be achieved by integrating military and civilian activities in the area of operation. This means, on the one hand, that the already initiated integration efforts must be maintained and broadened. On the other hand, this aspect entails that the achievement of the goal of a military operation is often dependent on civilian initiatives, such as reconstruction. In order to ensure future military and overall political success in international operations, it is therefore in general necessary that the Danish Armed Forces continue to maintain also a certain ability to contribute to reconstruction efforts – particularly in areas of operation where civil reconstruction capacities are unable or unwilling to operate due to an unstable security situation. This may typically occur in cases where the security situation during a transitional period hampers the ability of the civilian actors to operate.

It follows from the above that the Danish Armed Forces must be able to perform a wide variety of tasks. The Danish Armed Forces must remain able to participate in difficult and intensive operations, including the continued contribution to the Danish engagement in Afghanistan in the coming years in accordance with Denmark's Afghanistan Strategy. However, the Danish Armed Forces must also preserve and develop the ability to execute other types of stabilisation tasks and international policing operations, including such mission types as the KFOR mission in Kosovo and the operations against piracy off the Horn of Africa.

Main Challenges in the Upcoming Defence Agreement Period

As mentioned, the ongoing transformation of the Danish Armed Forces is to be continued. As part of this process, the Danish Armed Forces underwent an extensive re-structuring during the last Defence Agreement period. In the upcoming Defence Agreement period, there is a need to ensure that this reorganisation is consolidated and that the focused further development of the structure and tasks of the Danish Armed Forces is continued. In order to enhance the basis for a continued reorganisation of Danish defence, the already launched measures to improve the financial management of the Danish Armed Forces need to be continued and further enhanced,

and the ability of the Danish Armed Forces to plan and execute tasks in a professional and cost-effective manner needs continuous strengthening. This also applies to the Danish Home Guard.

In recent years, there have been significant changes in the conditions in connection with conducting the Danish Armed Forces' international operations, namely in the form of changes in the nature of the tactical threats, the greater intensity of missions, the greater number of international operations and their greater distance from Denmark, as well as the wide dispersal of the contingents within the specific mission areas. These changes have resulted in a present imbalance between the tasks and resources of the Danish Armed Forces, presenting the Danish Armed Forces with extraordinary and major financial challenges on the threshold of a new Defence Agreement period. On entering the new Defence Agreement period, the Danish Armed Forces will also have approx. 2,300 vacancies.

The Parties to the Defence Agreement are in agreement that the main challenges in the Defence Agreement period for 2010-2014 will comprise:

1. The continued consolidation of the Danish Armed Forces' structure following the extensive reorganisation that took place during the last Defence Agreement period, and the continued ongoing reorganisation and transformation and thus adjustment of the structure of the Danish Armed Forces in a number of areas.

2. The development in relation to the Danish Armed Forces' operational tasks and the increasingly demanding conditions in connection with the operations have a great impact on, among other things, the security of personnel, the equipment investments and the equipment operation and maintenance. There is thus a need, for example, for equipment enhancing security, new equipment, climate adaptation, modernisation and updating of existing equipment as well as equipment for training and instruction purposes. Similarly, the wear and tear on equipment and the consumption of spare parts and munitions have risen dramatically in recent years. Action must be taken to rectify this situation.

3. As mentioned, the Danish Armed Forces performs a number of more civilian-oriented tasks that are of vital importance for society in general. In this regard, the Danish Armed Forces utilise not only strictly military capabilities but also special purpose-built capabilities. The Parties to the Defence Agreement are in agreement that both types of capability must be utilised in the most appropriate way, both for the society in general and in regards to the finances of the Danish Armed Forces.

4. Up-to-date and modern defence establishments, training facilities and accommodation facilities are important for a Danish Armed Forces ready to undergo transformation. Furthermore, a number of the defence establishments are in need of maintenance. The freeing up of resources for this maintenance work should therefore be incorporated into

the continued efforts of the Danish Armed Forces to perform their tasks in the most optimal way.

5. The efficiency requirements that are placed on the rest of the Danish Armed Forces are also placed on the Danish Home Guard. Therefore, the Danish Home Guard and the organisation, operation and maintenance of the Danish Home Guard Command must be adjusted and streamlined.
6. The national military service scheme faces a number of challenges in the future, and the recruitment efforts must be broadened and focused on the entire youth cohort. A close examination of the military service scheme is therefore to be launched during the upcoming Defence Agreement period.
7. In recent years, the Danish Armed Forces have worked on improving their efforts within financial management. These efforts must be intensified so as to ensure a stronger focus on financial management and efficient performance of tasks by the Danish Armed Forces. Therefore, work will be commenced in order to ensure such a focus.

The Danish Armed Forces – Structure and Tasks

In order to enhance the readiness of the Danish Armed Forces to undergo reorganisation and contribute to meeting the security policy challenges that Denmark faces, this new Defence Agreement entails the following challenges and further development of the Danish Armed Forces' structure:

- The possibility of merging the officer training academies of the Danish Armed Forces into a single organisational unit is to be examined.
- There is to be increased focus on changing how the appropriation and incentive structures in the Danish Armed Forces are organised in relation to structural changes. For example, it must be ensured that the commanders of individual elements are motivated to run the activities in their unit in a satisfactory and cost-conscious way, which includes ensuring that there is an incentive also at a local level to optimise structures and processes.

In addition, the Parties to the Defence Agreement are in agreement that, with the aim of ensuring the continued development of the Danish Armed Forces, a committee should be set up to examine the opportunities for improving the overall defence establishment structure of the Danish Armed Forces in relation to the wish for a continued high level of international engagement, efficient operation and maintenance, and optimal execution of tasks. In this regard, a study is to be conducted to determine whether the Danish Armed Forces' present operational and geographical structure has adverse impacts on the Danish Defence personnel and personnel support structure, also taking into regard for example the recruitment, retention, training and operational use of Danish Defence personnel. If this study should reveal significant problem areas or

future challenges, proposals are to be made on solving or meeting such problem areas or challenges. The results of the committee's work are to be presented to the Parties to the Defence Agreement no later than autumn 2011. The terms of reference for the study are to be presented to the Parties to the Defence Agreement.

As mentioned in the Defence Commission Report, the Danish Armed Forces' capabilities are deployed in the form of units, elements and individuals, as the aim should be to draw broadly from the operational structure of the Danish Armed Forces, especially with the intention of distributing the strain placed on the personnel and structure of the Danish Armed Forces evenly. Thus, the sustaining of deployed capabilities corresponding to up to some 2,000 soldiers, sailors and airmen could be achieved through a combination of some of the examples described below. The examples are by no means exhaustive. Note is made of the fact that the composition of the individual force contributions, including their size, etc., will most often need to be adjusted according to the possibilities for cooperation with other countries.

- The Army should be capable of simultaneously deploying up to two units organised as battlegroups, as well as a number of smaller contingents. In terms of the structure of the battlegroups, their composition will be tailored to task and they will thus vary in size, typically from approx. 300 and up to approx. 800 soldiers. Similarly, smaller-sized contingents of company size – typically approx. 150 soldiers – are also to be configured to task.

- The Navy should, with the commissioning of three new frigates, be capable of simultaneously deploying two frigates, support ships or ocean patrol vessels. Additionally, occasional deployment of smaller contingents in the form of, for example, Flyvefisken-class vessels (Standard Flex 300) or the Royal Danish Navy's Task Group is a possibility.

- The Air Force should be capable of simultaneously deploying up to three contingents, which will typically consist of transport aircraft, helicopters, combat aircraft, as well as surveillance and early warning contingents. Furthermore, the Air Force should be capable of contributing with an expeditionary staff along with a range of specialised personnel in the form of, for example, support crews for loading and unloading aircraft as well as for air base operations, etc.

- Additional contributions from the Army, Navy, Air Force and Home Guard might encompass Special Operations forces, smaller units and elements designed for military capacity building, as well as individuals dispatched to staffs and as observers, etc.

In general all contingents should be capable of performing normally occurring tasks within all three mission types: armed conflict, stabilisation tasks and international policing. Conditions in the specific mission areas – e.g. Afghanistan – along with high intensity levels, large geographi-

cal distances, poor infrastructure and difficult climatic conditions may lead to increased strain and additional expenditures and in turn reduce the overall capacity for sustaining deployed forces or for the deployment of additional forces.

At the same time, relatively expensive, equipment-heavy contingents such as ships and aircraft – which contribute to the operational execution of tasks with an effect that cannot solely be measured in terms of the number of soldiers, sailors and airmen deployed in the relevant contingents – could in periods reduce the financial scope for deploying a large number of soldiers, sailors and airmen.

Operational structure, tasks and capabilities

The Parties to the Defence Agreement are in agreement that in general, the resource allocation to the Danish Armed Forces should to a higher extent follow the current tasks bestowed on them.

Army
Experiences from deploying Army contingents in international operations show that the Army primarily deploys units of battalion size, to which elements of all the branches of arms of the Army can be assigned: so-called battlegroups. However, so far this fact has not been adequately reflected in the Army's operational structure, leading to a practice of Army units being broken up and reconfigured from deployment to deployment in connection with international operations.

On this basis, there is agreement that the Army's operational structure should be focused around the battlegroup level and modified so as to meet the requirements of long-term deployments in international operations. Furthermore, the areas where the present manpower level is too small are to be strengthened, which in turn will enhance the ability to maintain the simultaneous deployment of several contingents in long-term international operations and thus enable the Army to meet the defined level of ambition.

Besides the ability to deploy battlegroups, the Army must maintain an ability at longer notice to deploy a brigade-sized formation. Support units must be modular and capable of being deployed within the framework of battlegroups. The Army maintains a fire-support capability that is designed for deployment in international operations.

Navy
The ability of the Navy to perform international tasks must be developed. In the previous Defence Agreement period, large ships were procured for the Navy in the form of frigates, support ships and ocean patrol vessels.

Thus, with a view to enhancing the ability of the Navy to participate in international operations, to support ground operations and to perform tasks in the North Atlantic and the Arctic, new ship-based helicopters that can both enhance the capabilities of the larger ships when going into action as well as replace the present Lynx helicopters, will be procured during the upcoming Defence Agreement period. A helicopter type will be procured that can flexibly support the units in carrying out their tasks both internationally and in the North Atlantic, i.e. perform tasks in relation to transport, surveillance, and search and rescue operations. Emphasis is placed on helicopters that can, among other things, enhance the capability for supporting ground operations.

Furthermore, the Navy's ability to perform tasks in the North Atlantic region must be further strengthened by, in the long term, replacing the last inspection cutter in Greenland with a new and significantly larger patrol vessel. This must also be seen in the light of the altered traffic pattern near Greenland and the subsequent necessity for being able to operate further from the coast.

Air Force
The ability of the Air Force to carry out long-term deployment of air force contingents in international operations must be developed. The existing support structure is to be adjusted so as to enhance the capability of sustaining fixed-wing aircraft or helicopter contributions deployed outside Denmark for longer periods of time, including the deployment of C-130J Hercules aircraft.

The helicopter troop transport capability is in the process of being established in the form of EH101 helicopters in the troop transport version. There is agreement that this capability is to be established and made available for deployment in international operations. This includes establishing the necessary logistical support for such a capability.

Special note on combat aircraft
In connection with national operations, tasks will need to be performed in the form of sovereignty enforcement in the Danish national air space and of surveillance and patrolling of areas of national interest on a short as well as on a long-term basis. There will in the future continue to be relevant missions for combat aircraft in connection with all types of international tasks.

The Parties to the Defence Agreement are therefore in agreement that the Danish Armed Forces must maintain a combat aircraft capability for upholding the sovereignty of domestic air space as well as the surveillance and patrol of areas of national interest. Furthermore, the Danish Armed Forces must continue to maintain the capability for deploying combat aircraft in international operations.

There is agreement that the F-16 structure is to be modified in the upcoming Defence Agreement period with the aim of reducing running costs, which includes reducing the number of operational F-16 aircraft.

The Parties to the Defence Agreement attaches importance on the process of procuring new combat aircraft being organised as an open process based on an independent basis for decision that contributes to creating a public debate. See also Appendix 1 for a description of the process.

Joint armed services solutions

Officer training academies
The possibility of merging the officer training academies of the Danish Armed Forces into a single organisational unit is to be examined.

Helicopters
The Navy and Air Force helicopters are to be integrated into the Helicopter Wing at Karup Air Base, whereby all Danish military helicopters are brought together in a single organisation.

Military capacity building
Experiences from deploying the Danish Armed Forces in stabilisation operations clearly indicate that the building of competent security structures locally, including military training capabilities, is crucial for the success of an international mission. Therefore, there is a substantial need for the Danish Armed Forces to have the capability of training and instructing local security forces, enabling them to acquire the capability themselves to resolve local conflicts and take responsibility for performing security tasks. This task of providing training and instruction may encompass a wide variety of activities, ranging from, for example, training foreign personnel in Denmark and deploying advisory and training staff contributions to countries with military development needs, to deploying training teams in order to train local security forces in the mission area before, during and after a potential conflict. The Danish Armed Forces have until now not had capacities dedicated to performing such tasks. In this respect, the capability for performing such tasks has partly been limited and partly had to be established from time to time by seconding personnel from other parts of the Danish Armed Forces. This has contributed to the strain placed on the personnel. The Danish Armed Forces will to a certain extent continue to participate in more traditional capacity building tasks, which are carried out, for example, in the Balkans, the Ukraine and Georgia.

On this basis, there is agreement that the Danish Armed Forces' ability to perform capacity building tasks is to be strengthened, so as to enable the Danish Armed Forces in the future to contribute further to the performance of this type of task internationally, particularly within the framework of the UN. Therefore, capacities in the Danish Armed Forces are to be dedicated to capacity building. Likewise, operational capacities in the three armed services and in the Danish Home Guard are to remain able to perform capacity building tasks as and when required.

Computer Network Operations

Like other parts of modern society, the Danish Armed Forces will become increasingly vulnerable to, among other things, hacker attacks on their information and communications infrastructure. Likewise, the use of cyberspace in general is rapidly gaining increasing importance in connection with military operations. Cyberspace has, in other words, become a battlespace. This development therefore places increasing demands on the ability of the Danish Armed Forces to take defensive and offensive measures in cyberspace.

On this basis, there is agreement that a Computer Network Operations (CNO) capability under the auspices of the Danish Ministry of Defence should be established with the aim of defending the ministry's own use of cyberspace and preventing opponents from exploiting it. Such a capability should be able to be put into action in support of both domestic as well as international operations. Furthermore, a CNO capability under the auspices of the Danish Ministry of Defence must possess the ability to work in conjunction with other Danish capabilities in this area and with corresponding capabilities in other countries. The elements of the CNO capability should be placed in one location with the aim of achieving maximum possible synergy and establishing a technical environment that is sufficiently robust and adequately dimensioned.

Planning capability in relation to, for example, the UN

A planning capability in relation to, for example, humanitarian operations that can encompass military contributions from all armed services and contributions from relevant civil authorities, etc. is deemed likely to be in greater demand in the future, particularly within the framework of UN operations.

On this basis, there is agreement that the tactical command staffs of the three armed services should be made available for the UN as a planning capability in connection with UN operations, including as a replacement for SHIRBRIG's capability in this area. In this role, the command staffs can be deployed individually or as a collective capability.

Rooted in this capability, the three armed services' tactical command staffs are to be developed in order to – as a collective capability – acquire the ability to plan and lead the deployment of relevant capacities from the combined national preparedness capabilities , for example in connection with humanitarian deployments, evacuation operations, etc., materialising in response to, for example, natural disasters. Such tasks are anticipated to be undertaken either independently at a national level, for example in the case of an evacuation operation, or as a contribution to a multinational response.

On the basis of the Danish Armed Forces' existing structure, capabilities and tactical command staffs, the ability to configure a temporary Task Force that can prepare and deploy, depending on the situation and the task, relevant capacities in connection with humanitarian deployments, evacuation operations etc, is to be established. The ability to form this Task Force will both en-

hance the Danish ability to carry out humanitarian deployments and evacuation operations, etc. and enhance the Danish Armed Forces' ability to plan and lead complex and joint operations.

Special note on Greenland and the Arctic
As mentioned earlier, the melting of the polar ice-cap as a result of global warming and the resulting increased activity in the Arctic will change the region's geostrategic significance and thus entail more tasks for the Danish Armed Forces.

Regarding the North Atlantic operational commands, the structure is to be streamlined in order to take into consideration the actual and expected developments in and around Greenland and the Faroe Islands. The Greenland Command and the Faroe Command are to be combined into a joint service Arctic Command. The most appropriate location of such an Arctic Command is to be considered and determined. In this connection it is to be examined whether the base at Thule may play a larger role in regard to the tasks performed in and around Greenland by the Danish Armed Forces in cooperation with other partner countries. The modification of the North Atlantic operational commands is to take place in a dialogue with Greenland and the Faroe Islands, where all parties are to be involved and have an opportunity to influence the process.

In addition, an Arctic Response Force is to be designated from the existing capabilities of the Danish Armed Forces, which, depending on the situation, can be established and composed of units from all armed services that possess an Arctic capability. The response force will contribute to increase the Danish expertise in the area and will be deployable in Greenland or in international tasks undertaken in an Arctic environment.

There is agreement that, as a result of the expected increased amount of traffic and level of activity during the upcoming Defence Agreement period, a proper risk analysis of the maritime environment in and around Greenland is to be conducted.

There is agreement that during the Defence Agreement period a comprehensive analysis of the future tasks of the Danish Armed Forces in the Arctic is to be conducted, including an analysis of whether or not advantages exist in entering into closer cooperation with other Nordic countries, the USA, Canada, Russia and the UK regarding surveillance and other similar tasks. The analysis is also to establish whether or not surveillance and other similar systems - such as exist in other maritime regions - could also be implemented and further developed in regard to shipping near Greenland. The implementation of such systems is expected to be able to improve the ability of the Danish Armed Forces to develop an assessment of the situation in and around Greenland and thereby focus the deployment of available operational capabilities.

In connection with the aforementioned analysis of the future tasks in the Arctic region, consideration can also be given to utilising, for example, combat aircraft in the occasional performance of tasks in relation to surveillance and upholding sovereignty in and around Greenland.

Furthermore, options for enhancing the contribution of patrol aircraft to the operations in and around Greenland in the short term are to be investigated during the upcoming Defence Agreement period. Additionally, an investigation is to be conducted to determine whether, in the longer term, unmanned aircraft systems and satellite-based surveillance could take on some of the tasks that patrol aircraft currently perform.

The Danish Armed Forces support structure

The Danish Armed Forces' support structure and support processes have in recent years undergone extensive trimming and streamlining through a centralisation of the support activity into joint military functional services. The concept of the functional services is to be retained.

There is, however, agreement that the business model for the support area and the functional services is to be further developed, thereby clarifying the customer-supplier relationship between the various units of the Danish Armed Forces and the functional services. This entails, among other things, the establishment of relevant agreements, management tools, etc. Furthermore, an appropriate incentive structure should be established for the military units that are customers of the functional services, so that the units are encouraged to use the fewest possible resources on support activities.

As a point of departure, the support activity must be planned and implemented with due consideration for the needs and decentralised conditions of the operational units. At the same time, the opportunities of local commanders to use support services for the benefit of local needs must be strengthened.

In connection with Defence Agreement 2005-2009, it was decided to sell Sjælsmark Barracks and to make efforts to exchange and decommission Hevring Live Firing Range. Since then, the Danish Armed Forces' need for live firing ranges and training areas as well as defence establishments has, however, increased, partly due to the substantial need to provide training in connection with preparing personnel for international operations as well as the Danish Armed Forces' increasing amounts of equipment. Therefore, in the upcoming Defence Agreement period the Danish Armed Forces will have a continued need for Hevring Live Firing Range. On this basis, there is agreement that Hevring Live Firing Range is not to be sold but to remain in use by the Danish Armed Forces. With regard to Hevring, it is a priority that the use of the live firing range by the Danish Armed Forces does not cause neighbours, etc. unnecessary nuisance and inconvenience. Based on an overall assessment, including the financial situation in relation to a potential sale, Sjælsmark Barracks is not to be sold.

The defence establishments of the Danish Armed Forces are a part of the combined overall facilities of the Danish society. The Parties to the Defence Agreement therefore agree that the general public must as far as possible have access to the areas and facilities of the Danish

Armed Forces in those periods when such areas and facilities are not used by the Danish Armed Forces. This access should be subject to reasonable conditions that contribute to promoting the general public's use of such areas and facilities and emphasise the interplay between the Danish Armed Forces and the Danish society in general..

The Parties to the Defence Agreement are in agreement that in the upcoming Defence Agreement period DKK 100 million is to be earmarked for maintaining the militaryhistorical buildings of the Danish Armed Forces, such as the Nyboder residential area.

An analysis is to be conducted of the overall task portfolio of the Defence Health Service and its interfaces with the public health care system in order to identify potential efficiency benefits for the Danish Armed Forces as a whole.

The Danish Armed Forces Personnel

The Danish Armed Forces must continue to focus on personnel as their most important resource.

On this basis, the Parties to the Defence Agreement are in agreement to continue the already launched initiatives in the personnel field that are designed to ensure that the Danish Armed Forces are able to recruit, train and retain the necessary personnel. In addition, it is to be examined whether there is basis for further initiatives directed at families of deployed soldiers, sailors and airmen.

The tasks of Danish Armed Forces and the conditions under which these tasks are executed have changed significantly in recent years. On this basis, the Parties to the Defence Agreement are in agreement that a study should be conducted to determine whether the composition and administration of the payments to the personnel is still up to date or whether an alternative more simple and less bureaucratic system, including in regards to bonuses, might be agreed upon.

Special note on recruitment
Seen in the light of, among other things, the current problems regarding manpower in the Danish Armed Forces, together with the complex and intense environment that it is expected Danish military personnel will have to work in while conducting future Danish defence tasks, the Parties to the Defence Agreement find that it should be ensured in the future that the Danish Armed Forces have the best and broadest foundation for recruitment. The recruitment efforts must be focused to a further extent on the entire annual cohort of young people and not only on the young people who annually serve their national military service in the Danish Armed Forces.

Women in the Danish Armed Forces

The Parties to the Defence Agreement are in agreement that the Danish Armed Forces must further develop the present initiatives being taken to ensure a higher percentage of female personnel. Using, for example, external assistance, this development includes a continuation of the focus on those cultural and traditional aspects in the Danish Armed Forces that can affect the opportunities to recruit and retain female personnel.

The national military service scheme

The Parties to the Defence Agreement are in agreement that the national military service training should be further improved. The training of conscripts who wish to continue on in the Danish Armed Forces is to be strengthened in the direction of their coming tasks, while the training of the conscripts who do not continue on in the Danish Armed Forces is to be strengthened in the direction of performing tasks related to the combined national emergency and disaster management response system. In this way, for those conscripts signing response force contracts in continuation of their conscript's training, the final part of the conscripts' training can be targeted towards their subsequent response force training.

The Parties to the Defence Agreement also find that, in the future, national military service faces a number of challenges. Furthermore, the Parties to the Defence Agreement have noted the fact that a number of comparable European countries have discontinued nationnal military service, while other comparable countries have decided to maintain national military service.

The Parties to the Defence Agreement are therefore in agreement that a study of the future of national military service should be conducted during the upcoming Defence Agreement period. As part of the study, the present and future challenges of the national military service should be identified and addressed. The study should analyse how national military service can be optimally organised in the future and also examine the Danish Armed Forces' opportunities for potentially performing defence-related tasks without national military service or with an increased intake of conscripts. The study should also incorporate aspects relating to the age of deployed Danish soldiers at the time of deployment and the possibility for also making it obligatory for women who are citizents of or resident in Denmark to attend Danish Armed Forces Day in the year they turn 18 years of age. Furthermore, the study should also incorporate the significance of national military service in terms of the people's will to defend and the rooting of the Danish Armed Forces in the Danish society, along with the "character building" and educative significance that national military service has for conscripts.

Reserve officers

Experiences from the Defence Agreement period 2005-2009 show that the Danish Armed Forces cannot function effectively without an active and well-trained pool of reserve officers and other reserve personnel. Reserve officers and other personnel from the reserve constitute both an important personnel reserve for the Danish Armed Forces – also in connection with the Danish

Armed Forces' international engagement – and a valuable capability that can contribute to strengthening the connection between the Danish Armed Forces and the rest of the Danish society.

During the upcoming Defence Agreement period and partly in order to maintain an adequate level of professionalism, it must be ensured that reserve officers as a rule are designated for specific positions in the Danish Armed Forces' operational structure. In order to meet the need for reserve officers, the Danish Armed Forces established a new reserve officer training programme in 2009, partly targeted at using reserve officers for training conscripts. In extension of this programme, further structural in-service training and continuing education programmes for reserve officers are to be introduced during the Defence Agreement period, with the aim of increasing the opportunities of reserve officers to be utilised in the Danish Armed Forces' operational structure.

The military psychology field

The capacity within the field of military psychology (psychological crisis services) has increased in keeping with the developments in relation to international operations. As the present intensity of operations must be expected to continue, and thus the strain on personnel, there is agreement that this field should be monitored closely with the aim of ensuring an optimal and adequate performance of tasks. In this regard, it should be considered whether and how the psychological assistance provided to personnel can be optimised, for example by improved screening of applicants and a more proactive effort in relation to posted and returning personnel, or similar. In this connection, lessons learned from other countries will be incorporated.

Veterans policy

The Parties to the Defence Agreement are in agreement that a working group is to be set up to draw up proposals for an official Danish veterans policy, which is to be ready by the middle of 2010. The working group is to be anchored in the Danish Ministry of Defence and should in connection with the formulation of the policy itself partly examine the opportunities for, in society in general, increasing support for deployed military personnel and their families before, during and after the deployment, and partly examine the opportunities for enhancing recognition of their efforts. In order to ensure optimal conditions for the study, all relevant ministries, public authorities and organisations should be incorporated in the working group's work.

A veterans policy should, among other things, describe the range of options available for help and support in dealing with potential psychological and social strains as well as physical injuries sustained during a deployment. Lastly, the policy should take into account the need to ensure that the contribution and effort of the deployed soldier, sailor or airman is valued and appreciated, and society's responsibility for this is to be made clear.

A proportion of the present support to returning soldiers, sailors and airmen is facilitated through the help provided by the Veterans Support Organisation (Kammeratstøtteordningen)

under the association “The Blue Berets” (De Blå Baretter). In light of the expected continued high intensity of international operations, the Parties to the Defence Agreement are in agreement that initiatives targeted at veterans are important and should be continued and further developed in cooperation with professional organisations and other charitable foundations such as “The Blue Berets”.

On this basis, the Parties to the Defence Agreement are in agreement to establish a funding pool of DKK 8 million in the Defence Agreement period which, subject to the specific conditions defined by the Parties to the Defence Agreement, can be used to support initiatives taken by associations, etc. for the benefit of veterans. In addition, an unchanged price-indexed amount of DKK 2.2 million per year is to continue to be earmarked for the work carried out by the “The Blue Berets” for the benefit of personnel that have been deployed on international duty, conditioned in part on “The Blue Berets” maintaining its affiliation with the Veterans Support Organisation.

The Parties to the Defence Agreement have noted that the Danish Armed Forces, at the request of the *Danske Soldaterforeningers Landsraad* (Danish Ex-servicemen’s Association), provide premises for military personnel associations to offer support and help to ex-servicemen and women who have been deployed on missions abroad. The Danish military authorities provide three premises at different locations in Denmark free of charge to the *Danske Soldaterforeningers Landsraad*, which has responsibility for running and staffing the premises.

The Parties to the Defence Agreement are in agreement that the Danish Armed Forces’ pilot project regarding a three-month reintegration and readjustment period for response force-contracted soldiers who are part of returning units from Afghanistan appears to be a valuable supplement to other initiatives designed to facilitate the reintegration and readjustment of Danish servicemen and women returning from international duty. The decision to possibly make the scheme permanent should be taken as soon as the results of the pilot period are ready.

The Parties to the Defence Agreement find that the future commemoration of 5 September as “*Soldatens Dag”* (National Soldier’s Day) is a valuable display of the Danish society’s recognition for the service and contributions rendered by serving personnel and veterans.

The Danish Armed Forces’ Equipment

As mentioned above, developments in the Danish Armed Forces’ operational tasks and the ever more demanding conditions in connection with the operations put a huge strain on equipment.

Operation, maintenance, training and stocks
The ever more demanding conditions to which the Danish Armed Forces’ capabilities and equipment are exposed during deployment have led to increased wear and tear on defence equip-

ment and a dramatic increase in the consumption of munitions and spare parts, etc. The Parties to the Defence Agreement are in agreement that in the future the Danish Armed Forces must have at their disposal adequate resources for operating and maintaining the equipment that forms part of the Danish Armed Forces' structure.

The need to have the best possible equipment available for the deployed forces has led to the procurement of more equipment for deployed forces, but has simultaneously led to a shortage of resources for procuring corresponding equipment for the domestically-based training. The Parties to the Defence Agreement are in agreement that the quantity and quality of the equipment available for domestically-based training should be adequate to enable not only the units preparing for specific deployments to have access to the same types of equipment used in the mission areas, but also the other units in training and those standing ready to be deployed to have access to modern and relevant equipment. In this way, the Danish Armed Forces' capabilities can be trained according to the principle "Train as You Fight".

The increasing intensity of the missions in which the Danish Armed Forces have participated and the increased consumption of munitions and spare parts have meant that the Danish Armed Forces' stock levels in important areas have become so depleted that they are now at an unsatisfactorily low level. On this basis, the Parties to the Defence Agreement are in agreement that the equipment capacity and stock supplies of the Danish Armed Forces should as soon as possible be expanded and proportioned in relation to current conditions and needs.

Equipment procurement

There is agreement that the ongoing professionalisation of the Danish Armed Forces' equipment procurement should continue, including by continuing to make use of external assistance in areas where the Danish Armed Forces' own competencies are deemed to be inadequate. External quality assurance must continue to be used in situations where the size or risk of the project based on a holistic assessment makes this appropriate. The scale of external quality assurance should be balanced in relation to the substantial consumption of resources that is typically associated with the use of such external quality assurance.

In addition, there is agreement that in connection with equipment procurement the Danish Armed Forces must continue to focus on minimising risks.

In the Defence Agreement period, a number of major equipment acquisitions will be made, partly to replace worn-out and obsolete equipment as well as equipment that has been lost during combat operations, and partly to ensure that the Danish Armed Forces have at their disposal adequate equipment to run domestically-based training, thereby ensuring that the units which are preparing for a specific deployment have access to the same type of equipment that will be used in the mission areas.

In the Defence Agreement period, the disposition and disbursement budget for equipment acquisitions constitutes an average of approx. DKK 3 billion per year (2010 price-level).

For the Army, equipment acquisitions generally comprise, for example:

- Fire-support systems. This includes examining, for example, the possibility of upgrading the Danish Armed Forces' rocket launchers to GMLRS standard, as experience from Afghanistan shows that GMLRS can deliver precise and effective fire support to deployed force elements.
- Armoured personnel carriers and other armoured vehicles
- Radio and communications equipment
- Engineering equipment
- Individual equipment, including personal protection equipment.

For the Navy, equipment acquisitions generally comprise, for example:

- Ship-based helicopters
- Small vessels and ships, including tugboats, target towing vessels and diving vessels
- Weapons systems and ammunition

The last inspection cutter in Greenland is expected to remain in commission until approx. 2017. Its replacement will therefore not be addressed until the next coming Defence Agreement period.

For the Air Force, equipment acquisitions generally comprise, for example:

- Supplementary equipment for EH-101 helicopters
- Radar and control systems
- Communications and identification systems

The needs and opportunities for equipment acquisitions are to be assessed regularly throughout the Defence Agreement period and the procurement plan is to be adjusted according to need.

Major equipment acquisitions and possible adjustments to the procurement plan are to be discussed among the Parties to the Defence Agreement. The Minister of Defence is to secure appropriations for major equipment acquisitions in the Folketing's Finance Committee.

Cluster munitions

In accordance with the Convention on Cluster Munitions (Oslo Convention), Denmark has committed itself to destroying the Danish stockpiles of cluster munitions. The Danish Armed Forces' cluster munitions for artillery and rocket launchers have already been taken out of operational use and are no longer available for use in operations. In accordance with the Government's Report to the Folketing, the destruction of the Danish stockpile of cluster munitions will be implemented when the preconditions for such destruction are fulfilled. It is also the Danish Armed Forces' expectation that the costs of destruction will gradually fall over time, as the international market for destruction of such munitions evolves. On this basis, there is agreement that the destruction of the cluster munitions is not to be implemented during the upcoming Defence Agreement period.

The Danish Armed Forces' Civilian-Oriented Tasks

The Danish Armed Forces perform two types of civilian-oriented tasks: civilian tasks of an authoritative nature that fall within the auspice of the Danish Ministry of Defence, such as the operation of the national ice-breaking services, national maritime environmental surveillance and the state maritime pollution control; and occasional tasks for which the national civilian capabilities in the particular area are either inadequate or less well-suited than the national military capabilities.

The general rule is that the Danish Armed Forces' capabilities are dimensioned for performing the tasks of an authoritative nature that fall within the auspice of the Danish Ministry of Defence, and in addition contribute to performing occasional other tasks provided the Danish Armed Forces' capabilities are not engaged elsewhere and where the Danish Armed Forces' capabilities are those best-suited for performing such tasks.

Search and rescue service
The Danish Armed Forces' helicopter rescue capability is used predominantly to provide support to the civilian community. This helicopter rescue capability must continue to operate and, in due consideration of its primary task, support the community through performing tasks relevant to the helicopter capability. Given the phasing in of the modern EH101 rescue helicopter, which possesses greater performance, there is agreement that during the Defence Agreement period it should be examined how task performance can be streamlined through, for example, differentiation of the level of readiness according to the time of year and traffic patterns. Furthermore, it is to be examined in this connection whether the number of rescue helicopter stations can be reduced and their location optimised without diminishing the overall rescue capability. Lastly, the opportunities are to be examined for further utilising the Naval Home Guard's and Air Force Home Guard's capability in this area.

Maritime environment protection capability
The Danish Armed Forces' overall maritime environment protection capability, including the opportunities for further utilising the Danish Home Guard's capability within this area, must continue to be assigned priority, in that it must continue to be ensured that the marine environmental protection task is planned and executed in the most appropriate way in the future. In this connection, priority must also be assigned to improving the benefit and effect of the airborne surveillance of the marine environment.

There is agreement that the Home Guard's maritime environment protection capability during the Defence Agreement period must be strengthened. This is to be partly achieved by implementing the recommendations of the capability study conducted of the maritime environment protection capability, including:

- Improving the equipment of Naval Home Guard vessels in general with the aim of facilitating the effective performance of environmental protection tasks.

- Examining the opportunities to enhance the Home Guard's capability to perform environmental protection tasks in the coastal zone, including oil spill recovery and detection capability.
- Examining whether the Naval Home Guard fully or partially can man and possibly take over responsibility for the Danish Armed Forces' new shallow-water environmental protection vessel.
- Insofar as the ongoing pilot project regarding hull extension and refitting of existing Naval Home Guard vessels has the expected success, hull extension and refitting of more of these vessels in the Defence Agreement period will be considered..
- Utilising the Air Force Home Guard's aircraft for maritime environmental surveillance, etc.

The Home Guard's funds for operating and maintaining equipment is to be adjusted accordingly.

The Parties to the Defence Agreement have noted the use of, among other things, satellite imagery as a supplement to airborne maritime surveillance. This and other similar measures must where possible be implemented and developed with a view to improving the efficiency of operations in the area.

The Parties to the Defence Agreement have also noted that the new fisheries inspection ship of the Danish Directorate of Fisheries is built with an environmental protection capability. The Parties to the Defence Agreement find that consideration should be given during the Defence Agreement period to whether a further fisheries inspection ship could be equipped with this capability. Corresponding considerations should be made in relation to other state vessels, including the inspection vessels of the Danish Maritime Safety Administration.

The Parties to the Defence Agreement also note that a number of further initiatives in the area, such as the Navy's "STOP OIL SPILLS" campaign, which, besides improving the efficiency of the surveillance, are also judged to have a preventive effect.

The Danish Home Guard

The primary aim, identity and relevance of the Danish Home Guard as a voluntary military organisation must continue to be founded on supporting the operational tasks of the Danish Armed Forces as well as contributing to the overall national emergency and disaster management response system, on the basis of a popular, voluntary commitment. The organisation of the Home Guard and the Home Guard Command, however, is to be modified and made more efficient in the short term, so that it is organised according to the same organisational and leadership principles as the corresponding staffs of the armed forces and with the same principal requirements to efficiency improvements and structural adjustments, including personnel reductions.

During the Defence Agreement period, opportunities are to be examined for further enhancing the cooperation between the Home Guard Command and Defence Command Denmark. The top leadership of the Home Guard and the Danish Armed Forces must jointly draw up a proposal for such cooperation.

The Home Guard should focus its contribution on the domestic commitments of the Armed Forces, first and foremost on guarding responsibilities as well as with a focus on civilian-oriented tasks and the maritime environment protection.

However, the Home Guard must continue and, where possible, increase its contribution to the Armed Forces' international tasks in terms of, among other things, guard duty and other relevant functions, not least activities in connection with civil reconstruction supporting the Armed Forces as well as other cooperation partners. Furthermore, the Home Guard can provide valuable support to the Danish Armed Forces' intenational engagement by in periods relieving units from the Danish Armed Forces that have been deployed in international operations, for example in relation to guard duties, driving duties, ammunition supply service, communication service and staff functions.

Based on the above, the Home Guard's national contribution is likewise to continue to be developed in support of Denmark's general emergency and disaster management response system through an efficient utilisation of the Home Guard's combined capabilities.

The Parties to the Defence Agreement are in agreement that it should be ensured that adequate compensation is offered to volunteers to cover lost earnings, inconveniences, etc. when volunteer Home Guard personnel provide long-term service in support of the Danish Armed Forces and the Danish society in general.

The requirements demanded of active Home Guard membership in the highest priority units will be increased and, to this end, it is to be ensured that the relevant educational and training requirements for the various types of units are maintained and that appropriations are used efficiently.

On the basis of the above described developments, the composition of the Home Guard units is to be modified and additionally streamlined in relation to assisting the Danish Armed Forces in their tasks and participating in the combined national emergency and disaster management response system, for example through support provided from the Police Home Guard as well as performing guarding responsibilities. In this respect, the Infrastructure Home Guard is to undergo development. Furthermore, the role of the Home Guard is to be strengthened and developed to facilitate the performance of territorial waters surveillance and environmental tasks. Lastly, opportunities are to be examined for developing the Home Guard's capabilities to provide additional support to the Danish Armed Forces' execution of tasks, for example support to manning the ice-breaking service. With an increase of the reserve-officer capacity, it is, moreover,

possible to conduct a qualitative strengthening and streamlining of the regional command structure.

For the Home Guard, equipment acquisitions in the Defence Agreement period generally comprise, for example:

- Vehicles as well as communications and environmental equipment, including equipment for implementing anti-pollution measures in the coastal zone.
- New construction or refitting of vessels for the Naval Home Guard, with the aim of enhancing the environmental capability. This includes examining opportunities for hull extension of more 800-class vessels.
- Individual equipment

Other Areas

Funding for Global stabilisation efforts

The Parties to the Defence Agreement are in agreement on the need to strengthen and expand the overall ability of the Danish State to carry out stabilisation, reconstruction and capacity building projects in conflict areas.

From 2010, a total of DKK 20 million is to be earmarked annually under Section 6: Danish Ministry of Foreign Affairs. Beginning 2010, the appropriation is to be financed by an annual contribution of DKK 10 million from the Danish Ministry of Defence and DKK 10 million from within the Danish Ministry of Foreign Affairs' total budget. With the aim of ensuring a coordinated use of the DKK 20 million annually, an inter-ministerial coordination body is to be established from among representatives from the Danish Ministry of Defence and the Danish Ministry of Foreign Affairs, which is to decide how the specific funds are to be used.

In addition, the Ministry of Defence is to allocate DKK 65 million annually within the framework of the Danish Armed Forces' security cooperation programme to supporting broader stabilisation efforts, security cooperation, etc. Similarly, the Danish Ministry of Foreign Affairs is to allocate DKK 65 million annually within the framework of Danish development assistance to supporting broader stabilisation efforts, etc.

Likewise, the inter-ministerial coordination body is to be assigned the task of coordinating and ensuring synergy between initiatives financed by the two appropriations. The coordination body is to be responsible for the overall coordination of the two appropriations. Responsibility for the administration of the specific appropriation will continue to be clearly assigned.

In total, DKK 150 million may be used annually towards stabilisation efforts, security cooperation, etc. (see table below).

Earmarked Appropriations – Global, broader stabilisation efforts, etc.

DKK million (2010 price-level)	Annual expenditure
Funding under Section 6: Danish Ministry of Foreign Affairs – for stabilisation efforts, etc. (not development assistance)	20
Focusing of appropriation within the Danish Armed Forces' security cooperation programme	65
Focusing of appropriation within development assistance	65
Total	**150**

National Museum of Military History
With the aim of ensuring the necessary coherence between the Danish Armed Forces and the activities of the museum, a survey is to examine within the defence agreement period the feasibility and desirability of returning the responsiblity for the National Museum of Military History, which comprises the Royal Danish Arsenal Museum and the Royal Danish Naval Museum, from the Danish Ministry of Culture to the Danish Ministry of Defence.

Military manual on the laws of armed conflict
With the aim of further strengthening the Danish Armed Forces' education and training in, and use of, humanitarian international law and the laws of armed conflict, a Danish military manual is to be drawn up on the area. Before embarking on the work, it should be decided what type of military manual Denmark should thus have, as the Parties to the Defence Agreement are in agreement that the manual should provide value added in relation to the status quo.

Danish Armed Forces and environmental considerations
The Danish Armed Forces are expected to contribute to the realisation of the Danish Government's goals within the climate and environmental field.

The Danish Armed Forces' focus on initiatives aimed at reducing the Danish Armed Forces' overall environmental footprint and energy consumption is to be further enhanced. In specific terms, environmental leadership in the Danish Armed Forces is to be focused on reducing the Danish Armed Forces' environmental impacts. As part of the efforts in this regard, a climate strategy is to be formulated that, among other things, sets specific targets in relation to the Danish Armed Forces' CO2-reducing initiatives, whereby the Danish Armed Forces in the future integrate environmental and climate considerations into their activities, buildings, etc. where this makes sense.

The Parties to the Defence Agreement note in this connection the participation of the Danish Armed Forces in research projects, etc. that seek to reduce particle emissions from large diesel engines, in particular ship engines.

The Danish Armed Forces and research
The Parties to the Defence Agreement are in agreement on the continued need to ensure that an unchanged amount in the Danish Ministry of Defence budget is earmarked annually for conducting specific defence and security policy projects at the Danish Institute for International Studies (DIIS).

In addition, the appropriation allocated to the Danish Institute for Military Studies (DIMS), which is organisatorically placed under the Royal Danish Defence College (RDDC), is to continue unchanged compared to 2009, in that the appropriation is to be used specifically to meet current defence and security policy research needs. Under this appropriation, the Parties to the Defence Agreement can request the implementation of analyses, etc. It is to be examined whether it makes greater sense to locate DIMS under the University of Copenhagen or another university.

Legislation
The Act on the Aims, Tasks and Organisation, etc. of the Danish Armed Forces as well as any other relevant laws are to be adjusted in accordance with the present Defence Agreement and with a point of departure in the Danish Defence Commission's related recommendations.

Annual security policy report and debate in the Folketing (Danish Parliament)
The Parties to the Defence Agreement are in agreement that there should be an ongoing security policy debate in the Folketing. If the Danish security policy is to gain a foothold in the minds of the population, there is a need for the Folketing to discuss regularly what the Danish security policy strategy should be.

For use in these discussions, the Government is to draw up an annual report on the Danish security policy. In step with the increasing influence of the security policy on the whole of Danish society, such a report should provide information about goals and resources in Danish security policy. Possible themes could be assessments of the long-term challenges that Denmark faces, and a prioritisation of the security policy opportunities and challenges, not to mention solutions.

In addition, a debate about Denmark's future security policy could lead to a greater degree of coordination between the many stakeholders in the area and make it easier to create an overall picture of goals and means in Danish security policy.

Defence Agreement Finance

As described above, there is an imbalance today between the tasks and resources of the Danish Armed Forces, which means that the Danish Armed Forces, on the threshold of a new Defence Agreement period, face significant financial challenges. There is thus an additional need for funds.

In order to contribute to financing this additional need, there is agreement among the Parties to the Defence Agreement to carry out a number of capability reductions and closures as well as implement extensive streamlining and trimming measures. These are described below:

Capability reductions and closures in the Danish Armed Forces
With the aim of contributing to financing the Danish Armed Forces' additional need for funds, the following operational capabilities are to be reduced in size or decommissioned:

- The number of main battle tanks is to be reduced. This measure entails that the number of operational Leopard 2 main battle tanks is to be reduced from 57 to approx. 34.

- The Army's overall fire-support capability is to be reduced. This entails, for example, the decommissioning of the Army's present and obsolete long-range, fire-support system: the self-propelled M109 howitzers.

- The Army's air-defence capability is to be decommissioned. This measure entails that the Danish Armed Forces's ability to conduct land-based active defence against aircraft and helicopter threats is eliminated. The control and early warning component, however, is to be preserved and transferred to the Air Force, where it is to be merged with the Air Force's control and early warning capability.

- The Army's anti-tank missile capability is to be decommissioned. This measure entails the abolition of the Army's long-range, anti-tank missile units.

- The Navy's standard flex capability is to be reduced. This entails, among other things,that the number of maritime response vessels for permanent surveillance of the internal Danish waters, etc. is to be reduced from four to three.

- The Air Force's Fennec helicopter structure is to be reduced both in terms of personnel and equipment, thereby eliminating the international capability.

- The Air Force's combat aircraft capability is to be reduced from 48 to 30 operational combat aircraft.

- The Air Force's airspace surveillance capability is to be reduced. This entails the decommissioning of the last stationary air space surveillance radar station on Zealand (Multebjerg Radar Station).

Trimming measures in the Danish Armed Forces
Besides the abovementioned measures, the following trimming measures are to be implemented:

- The staffing level – and thus the number of full-time equivalents – within Defence Command Denmark's area of responsibility is to be trimmed by 1% by 2010, increasing to 5% by 2014.

- The running costs for "Other expenditures" within Defence Command Denmark's area of responsibility are to be trimmed by 10% from 2010, increasing to 18% by 2014.

- Payment for irregular work-hours-related services within Defence Command Denmark's area of responsibility is to be trimmed.

- Responsibility for the main part of the operation and maintenance of the defence estates is to be contracted out through competitive tender.

Trimming measures in the Danish Home Guard
Within the Home Guard Command's area of responsibility, streamlining and trimming measures are to include, for example:

- The staffing level – and thus the number of full-time equivalents – within the Home Guard Command's area of responsibility is to be trimmed by 1% by 2010, increasing to 5% by 2014. On this basis, the following measures, among others, are to be implemented:

    - The organisation of the Home Guard Command is to be modified and made more efficient, so that it is organised according to the same organisational and leadership principles as the corresponding staffs of the other armed forces.

    - The Army and the Home Guard's local command structure is to be streamlined.

Furthermore, it is to be examined whether it would be possible, as with other branches of the Danish Armed Forces, to streamline other parts of the Home Guard's areas of running operation. In this respect, it should be noted that the streamlining measures implemented in relation to the Danish Armed Forces' support structure will also affect the Home Guard's running operations, which is why savings on running costs cannot generally be found in the Home Guard to the same extent as in other branches of the Armed Forces.

Use of proceeds derived from streamlining and trimming measures
The proceeds derived from the above streamlining and trimming measures within the Danish Armed Forces and the Danish Home Guard are to be channelled to the Danish Ministry of Defence with a view to being used for performing core operational tasks.

Besides the above streamlining and trimming measures, the Danish Armed Forces are to establish a Reorganisation Funding Pool. The proceeds derived from additional streamlining and trimming measures that are externally or internally initiated and implemented in the Defence Agreement period, are to be injected into this pool. The Reorganisation Funding Pool is to be

used to support the Danish Armed Forces' continued transformation towards a modern, deployable defence, with focus on the Armed Forces' operational capability.

The defence budget
The Parties to the Defence Agreement are in agreement that the defence budget is to be allocated DKK 205 million annually as a permanent increase of the defence budget expenditure level. Similarly, an average of DKK 395 million is to be allocated annually in order to cover one-off expenditures, corresponding to DKK 3 billion over the Defence Agreement period. Similarly, another DKK 0.5 billion is to be earmarked for the establishment of a so-called Protection Funding Pool.

The additional appropriation to the operating budget expenditure level is to be used as follows:

- Forming a capability to secure the Danish Armed Forces' interests in cyberspace through a Computer Network Operations capacity as well as an enhanced and more focused ability to support other countries' building, education and training of relevant and democratically governed military capabilities, including local security forces. Therefore, plans are being made to spend approx. DKK 140 million annually for building up and operating these two capabilities during a coming five-year period.

- DKK 65 million is to be earmarked annually for the establishment of funding for Global stabilisation efforts.

Injection of funds towards coverage of one-off expenditures comprises:

- Procurement of necessary and relevant training equipment that enables soldiers, sailors and airmen to be trained and instructed on equipment corresponding to that which is used in the area of operation. This also to further enhance the protection of the soldiers, sailors and airmen. The investment will amount to approx. DKK 600 million – corresponding to an average annual investment of approx. DKK 120 million.

- Extraordinary replenishment of the Danish Armed Forces' stocks of munitions and spare parts with the aim of, among other things, ensuring the best possible support of the deployed units' operations. This also to further enhance the protection of the soliders, sailors and airmen. The investment will amount to approx. DKK 900 million – corresponding to an average annual investment of approx. DKK 180 million.

- Ensuring up-to-date and modern defence establishments, training facilities and accommodation facilities, partly out of regard for retaining military personnel. The investment will amount to approx. DKK 500 million – corresponding to an average annual investment of approx. DKK 100 million, of which DKK 20 million is to be reserved annually for maintaining the Danish Armed Forces' historical military buildings, such as the Nyboder residential area.

The Parties to the Defence Agreement are in agreement that the above amounts relate to one-off investments, although it will be necessary during the Defence Agreement period to examine more closely the Danish Armed Forces' future level of expenditure at the end of the Defence Agreement period.

As mentioned above, the Parties to the Defence Agreement are also in agreement to earmark DKK 0.5 billion in the Defence Agreement period to financing unforeseen and emerging expenditures in the Defence Agreement period, with the aim of ensuring the best possible protection of Danish military and civilian personnel deployed in mission areas. The funds in this pool are to be earmarked under Section 35 of the Finance and Appropriations Act and are solely to be used with the approval of the Parties to the Defence Agreement. The pool is described in Appendix 2 of this Defence Agreement.

In instances where altered and unforeseen conditions and threats necessitate additional expenditures, the Danish Armed Forces is to examine first whether there are funds available in the Danish Armed Forces' Reorganisation Funding Pool. If this is not the case, the matter is to be put before the Parties to the Defence Agreement, who will decide any use of funds from the Protection Funding Pool. Thereafter, an approval request document for funds is to be drafted and submitted to the Folketing's Finance Committee in accordance with normal procedure, taking into account any special security related aspects.

The Protection Funding Pool can be used, for example, to finance protection equipment and measures should deployed Danish personnel be exposed to new and unforeseen threats in international operations or to finance new technology or new methods, etc. in order to tackle serious threats that already exist.

On this basis, the defence budget for the Defence Agreement period is to be determined as shown in the table below, as the defence budget is assumed to be regulated in line with previous practice[1]:

Defence Budget[2] (all amounts in DKK million at 2010 price-level)

Year	2010	2011	2012	2013	2014
Previous expenditure level	22,240	22,010	22,015	22,015	22,020
Additional perma-	205	205	205	205	205

[1] Besides the defence budget, the Danish Armed Forces may use any earned interest income under the arrangement regarding independent liquidity. Incidentally, the defence budget is regulated according to the same rules that apply to other state institutions.

[2] Exclusive separate appropriation to the Danish National Rescue Preparedness, the Danish Civil Protection League and the Conscientious Objector Administration.

nent appropriation					
Defence expenditure level	22,445	22,215	22,220	22,220	22,225
One-off expenditures	395	395	395	395	395
Funding pool under Section 35 for ensuring security of deployed personnel	100	100	100	100	100

The Danish Armed Forces is to be awarded full compensation for the operation and maintenance of the ice-breaking service and any related new acquisitions to the service.

Additional expenditures for international operations

The Danish Armed Forces' additional expenditures in connection with conducting international military tasks within the UN, OSCE, NATO or within other relevant frameworks are to be defrayed within the defence expenditure level with an amount up to DKK 1,030 million (2010 price-level)[3]. Besides the standard balance transfer facility, the Danish Armed Forces are able to transfer increases and decreases in expenditure for international operations between the years. This level will thus also be a determining factor for the Danish Armed Forces' specific ability to deploy contingents.

Reports are to be prepared regularly which provide visibility into all net additional expenditures related to the Danish Armed Forces' international engagement, including expenditures related to losses and write-offs of equipment as a result of the operations, etc.

Insofar as the Danish Armed Forces provide personnel or support to facilitate the participation of other ministries in international operations, the relevant ministry is to refund in full the related expenditures incurred by the Danish Armed Forces. Out of regard for the primary military tasks, the Danish Armed Forces, at the request of the relevant ministry, are to provide relief assistance in connection with humanitarian or environmental disasters abroad, insofar as the assistance provided by the Danish Armed Forces is more effective, more rapid or more economical than would otherwise be the case if the assistance was provided by another public body or private organisation. In this regard, the Danish Armed Forces have assigned assets to the UN. The Danish Armed Forces' expenditures in connection with providing the assistance are to be refunded in full by the relevant ministry.

[3] The DKK 1,030 million at 2010 price-level corresponds to the annual amount that was earmarked for the purpose in the Danish Defence Agreement 2005-2009 (i.e. DKK 900 million at 2005 price-level).

Management of proceeds from the sale of military properties
In the Defence Agreement period 2005-2009, the proceeds from the sale of military properties have been registered under Section 35.11.27 – Reserve for the Danish Armed Forces' new facilities in consequence of relocations, etc. – from where, following the submission of an approval request document to the Folketing's Finance Committee, they can be utilised to finance direct capital expenditures or the acquisition of properties in connection with the relocalisation of the relevant authorities and units (one-to-one principle). It is estimated that in 2009 the Danish Armed Forces will not be able to complete all the sales transactions specified in the 2005-2009 Defence Agreement. The proceeds from these sales are to be channelled to the Danish Armed Forces, cf. provisions contained in the Danish Defence Agreement 2005-2009 of 10 June 2004.

The Parties to the Defence Agreement are in agreement that in the Defence Agreement period the Danish Armed Forces must adjust the number of housing units as well as other properties. In this regard, the Danish Armed Forces must assess whether there are properties among the existing property portfolio that with advantage could be replaced by more profitable properties, for example in relation to running costs, location etc. or other solutions, such as allotment of rented accommodation. It is estimated that such an adjustment could provide proceeds totalling DKK 400 million during the Defence Agreement period that would be channelled to the defence budget.

In addition, a target is to be set for generating additional proceeds of approx. DKK 200 million over the Defence Agreement period, which are to be channelled to the Reorganisation Funding Pool, cf. above.

In 2012, consideration is being given to whether, among other things, in the light of experience to date, there is basis for setting a target of generating additional proceeds of approx. DKK 300 million.

The Danish Armed Forces – Financial Management

The measures taken to improve financial management that the Danish Armed Forces have already implemented are to be continued and strengthened in the Defence Agreement period. The Parties to the Defence Agreement are in agreement that in the Defence Agreement period focus must be placed on ensuring a reliable and accurate picture of the financial expenditure, on ensuring transparency and a basis for further efficiency improvement measures etc., and on ensuring balance between goals and financial resources. Appendix 3 to this agreement describes the Danish Armed Forces' future system of financial management.

Follow-up

Detailed information about structure and resource consumption will be provided in the annual Finance and Appropriations Acts. The annual budget proposals for the Finance Bill and the approval request documents to the Folketing's Finance Committee that fill the budget are to be discussed in advance with the Parties to the Defence Agreement.

As mentioned, a general implementation plan is to be drawn up that, among other things, contains a number of benchmarks for the Danish Armed Forces' development, including in regard to financial position as well as implementation and realisation of the above-described capability changes as well as streamlining and trimming measures. The implementation plan is to be submitted to the Parties to the Defence Agreement.

As in the past, regular meetings will be held between the political parties behind the Defence Agreement. Such meetings will, at minimum, always examine status regarding the implementation of the Defence Agreement, status regarding the international operations, and status regarding the Danish Armed Forces' financial position.

On the basis of the current status of implementation, including status in relation to Danish Armed Forces' financial position and achievement of the benchmarks set out in the implementation plan, discussions are to take place regularly – and at least once a year – among the Parties to the Defence Agreement concerning the status of the Defence Agreement's implementation, including follow-up on international operations, financial position and benchmarks as well as other matters within the framework of the Defence Agreement that have a bearing on personnel structure and equipment acquisitions, etc.

The objective of the discussions is partly to ensure that the Danish Armed Forces' structure, capabilities and equipment acquisitions are regularly adjusted in line with developments in the Danish Armed Forces' tasks, missions and finances. Therefore, the Parties to the Defence Agreement must, among other things, regularly consider any necessary adjustments of the Danish Armed Forces and the Danish Home Guard's development in the Defence Agreement period, so as to optimise the relevance of their capabilities.

Appendices:

1. Process for the acquisition of new combat aircraft
2. Use of the Parties to the Defence Agreement' Financial Disposition Funding Pool ("Protection Funding Pool")
3. Future financial management in the Danish Armed Forces

Appendix 1 – Danish Defence Agreement 2010–2014 of 24 June 2009

PROCESS FOR THE ACQUISITION OF NEW COMBAT AIRCRAFT

The political agreement on Danish Defence states, among other things, the following in relation to the Danish Armed Forces' future need for a combat aircraft capability:

> "*The Parties to the Defence Agreement are therefore in agreement that the Danish Armed Forces must maintain a combat aircraft capability for upholding the sovereignty of domestic air space as well as the surveillance and patrol of areas of national interest. Furthermore, the Danish Armed Forces must continue to maintain the capability for deploying combat aircraft in international operations."*

The combat aircraft capability comprises in the short term the present F-16 aircraft, but in the longer term it will entail the acquisition of new combat aircraft. The basis for a decision on new combat aircraft will be finalised and subjected to external quality assurance in the autumn of 2009. It is the intention that a decision in principle on the acquisition of new combat aircraft, including provisional type selection, will be made in 2009.

The basis for decision will comprise a number of different factors, including:

- Security policy issues that relate to an assessment of the use of combat aircraft as an active security policy instrument. The assessment is to be conducted primarily on the basis of chapter 1 "The premises of security policy" of the Danish Defence Commission Report of 25 March 2009.

- Strategic issues that relate to an assessment of the different combat aircraft candidates in relation to strategic cooperation in NATO and with other nations.

- The military recommendation is the Chief of Defence's recommendation regarding which combat aircraft candidate should be chosen as the replacement for the F-16 aircraft. The recommendation is to be drawn up on the basis of an extensive analysis.

- Financial issues that have the aim of providing a comprehensive financial basis that can form part of the overall basis for decision concerning new combat aircraft. The basis is to be provided by an intra-ministerial working group on financial matters composed of representatives from the Danish Ministry of Finance, the Danish Ministry of Foreign Affairs, the Danish Ministry for Economic and Business Affairs and the Danish Ministry of Defence, etc.

- Industrial cooperation that relates to an assessment of the scope and nature of industrial participation and cooperation with each combat aircraft candidate and the associated socio-

economic consequences. The assessment of industrial cooperation is to be conducted by the Danish Ministry of Economic and Business Affairs, including the Danish Enterprise and Construction Authority.

The basis for decision will also contain a number of reports in relation to maintaining the combat aircraft capability based on F-16 aircraft. These include, for example, reports that highlight the feasibility of acquiring new or used F-16 aircraft as well as the feasibility of service life extension and prolonged use of the Danish Armed Forces' F-16 aircraft, where by modifying their use these aircraft can remain in service for a longer period than the present planning prescribes.

The basis for decision as well as the process regarding a potential acquisition of new combat aircraft is subject to an extensive and rigorous external quality assurance procedure, so as to ensure an open process that provides a transparent and independent basis for decision. This complies with the resolutions passed from parliamentary debate F4 on 29 February 2008 regarding procurement of combat aircraft, whereof the following was stated:

> *"The Folketing takes note of the Minister of Defence's account regarding the future acquisition of combat aircraft. The Folketing calls on the Minister of Defence to ensure an open process, so as to secure a transparent and independent basis for decision."*

The external quality assurance process involves both Rigsrevisionen (The National Audit Office of Denmark) and two independent consultancy firms. Over a period of 18 months, Rigsrevisionen examined the Danish Ministry of Defence's work on elaborating a basis for decision concerning new combat aircraft. On 26 March 2009, the findings of Rigsrevisionen's study, including the comments of the Public Accounts Committee, were published. Both the Public Accounts Committee and Rigsrevisionen concluded that the basis for decision concerning new combat aircraft is expected to be significantly better than has been the case with previous major equipment acquisitions by the Danish Armed Forces. The Public Accounts Committee and Rigsrevisionen also conclude that it is a significant strength of the process that the financial basis for decision is dealt with in an intra-ministerial working group and that external quality assurance is used to ensure the quality of the overall basis.

The Danish Ministry of Defence has taken the initiative to secure the services of two independent consultancy firms – Deloitte Business Consulting and the Danish Technological Institute – to conduct a comprehensive external quality check of the basis for decision and the underlying evaluations, etc. The external quality assurance procedure will continue until the basis for decision has been finalised and is ready for publication.

In summary, a nuanced and independent basis for decision will be produced. It is seen to contain much more than just military assessments, including not least a comprehensive assessment of the financial issues.

An agreement among the Parties to the Defence Agreement to procure new combat aircraft will constitute the necessary basis for opening contract negotiations with the preferred supplier of new combat aircraft. The contract negotiations will result in a draft contract, which by the nature of things will contain binding prices. The draft contract will thereafter enable the Danish Ministry of Defence to submit an approval request document to the Folketing's Finance Committee concerning procurement of new combat aircraft, which is expected around 2012 at the earliest.

Appendix 2 – Danish Defence Agreement 2010–2014 of 24 June 2009

USE OF THE FINANCIAL DISPOSITION FUNDING POOL ESTABLISHED BY THE PARTIES TO THE DEFENCE AGREEMENT

("THE PROTECTION FUNDING POOL")

The Parties to the Defence Agreement are in agreement that the defence budget is to be injected with an additional appropriation of DKK 3 billion in the upcoming Defence Agreement period.

In addition, the Parties to the Defence Agreement are in agreement that a Protection Funding Pool is to be established to finance unforeseen and sudden expenditures that arise in the Defence Agreement period, with the aim of ensuring the best possible protection of Danish military and civilian personnel deployed in mission areas. The funds in this pool are to be earmarked under Section 35 of the Finance and Appropriations Act and are solely to be used with the approval of the Parties to the Defence Agreement.

In instances where altered and unforeseen conditions and threats necessitate additional expenditures, the Danish Armed Forces must determine first whether there are funds available in the Danish Armed Forces' Reorganisation Funding Pool. If this is not the case, the matter is to be put before the Parties to the Defence Agreement, who will decide any use of funds from the Protection Funding Pool. Thereafter, an approval request document for funds is to be drawn up and submitted to the Folketing's Finance Committee in accordance with normal procedure, taking into account any special security related aspects.

The Protection Funding Pool may be used, for example, to finance protection equipment and measures should deployed Danish personnel be exposed to new and unforeseen threats in international operations or to finance new technology or new methods etc. in order to tackle serious threats that already exist.

In the Defence Agreement period, a one-off amount of DKK 500 million is to be earmarked for the Protection Funding Pool.

Appendix 3 – Danish Defence Agreement 2010-2014 of 24 June 2009

FUTURE FINANCIAL MANAGEMENT IN THE DANISH ARMED FORCES

Introduction

In 2008, the Danish Armed Forces reorganised their financial management by establishing an independent finance staff function and a finance director, which are embedded within the Danish Armed Forces' senior leadership structure. The reorganisation has at the same time led to an altered approach to financial management in the Danish Armed Forces, with a focus on better management, better budgeting and better planning.

As a result, the follow-up on periodical budgets has been strengthened, which to a greater degree than earlier entails systematic and detailed reporting, including not least in relation to the functional services. In the future, the budgeting process will be strengthened at the relevant detail level and in relation to governance-relevant parameters, which will provide the basis for improved follow-up and efficiency improvements, etc. The Annual Programme of the Danish Armed Forces will also ensure greater balance between goals and financial resources, and financial opportunities for action in the financial year will likewise be identified.

The revised internal system of financial management has been presented to Rigsrevisionen (The National Audit Office of Denmark) and is being implemented by all defence authorities.

Future financial management in the Danish Armed Forces

The Parties to the Defence Agreement are in agreement that in the Defence Agreement period focus must be placed on ensuring a reliable and accurate picture of the financial expenditure, on ensuring transparency and a basis for further efficiency improvement measures etc., and on ensuring balance between goals and financial resources.

Consequently, in the course of the upcoming Defence Agreement period, Defence Command Denmark will conduct budget analyses of central parts of the Danish Armed Forces' finances. The budget analyses are designed to ensure efficiency improvements in the Danish Armed Forces and to contribute to better financial management and increased transparency regarding the financial position of the Danish Armed Forces. The Danish Ministry of Defence and the Danish Ministry of Finance will jointly organise and implement the budget analyses.

In addition, close and clear coherence will be established between the Finance Act appropriations and Defence Command Denmark's internal Annual Programme, and the Danish Armed Forces' balance transfer facility is to be gradually reduced to the level for state institutions in general.

By the start of 2010, the Parties to the Defence Agreement are to be presented with strategies concerning opportunities to:

- Ensure ongoing cost-effective governance of the Danish Armed Forces.
- Optimise the organisation of case and work procedures in the Danish Armed Forces, including the Danish Home Guard.
- Identify on an ongoing basis best practice in different branches of the Danish Armed Forces, in order to ensure ongoing organisational development, more efficient use of resources and clear focus in the Danish Armed Forces' overall performance of tasks.

Lessons learned from similar reorganisation and development processes in state institutions are to be incorporated in the defence leadership's work, by embedding development of the above strategies in a steering group composed of representatives of the Danish Ministry of Defence and the Danish Ministry of Finance.

Detailed information about structure and resource consumption will be provided in the annual Finance and Appropriations Acts. The annual budget proposals for the Finance Bill and the approval request documents to the Folketing's Finance Committee that fill the budget are to be discussed in advance with the Parties to the Defence Agreement.

In addition, a status report is to be presented to the Parties to the Defence Agreement regarding the implementation plan, in which the Defence Agreement's goals, implementation and financial budget, as well as results of benchmark studies are to be incorporated.

As in the past, regular meetings will be held between the political parties behind the Defence Agreement. Such meetings will, at minimum, always examine status regarding the implementation of the Defence Agreement, status regarding the international operations and status regarding the Danish Armed Forces' financial position, as well as other matters within the framework of the Defence Agreement that have a bearing on personnel structure and equipment acquisitions, etc.

The objective of the meetings is partly to ensure that the Danish Armed Forces' structure, capabilities and equipment acquisitions are regularly adjusted in line with developments in the Danish Armed Forces' tasks, missions and financial position. Therefore, the Parties to the Defence Agreement must, among other things, regularly consider any necessary adjustments of the Danish Armed Forces and the Danish Home Guard's development in the Defence Agreement period, so as to optimise the relevance of their capabilities.