

The Liberals, the Conservatives, the Social Democrats, the Danish People's Party, the Social Liberals and the Christian Democrats have entered into the following agreement regarding Danish Defence from 2005 - 2009.

### **Introduction**

1. Danish Defence is an important factor in an active Danish foreign and security policy aimed at a peaceful development in the world with promotion of democracy, freedom and human rights.

The goals of Danish Defence are the following: 1) to counter direct and indirect threats to the security of Denmark and allied countries, 2) to maintain Danish sovereignty and the protection of Danish citizens, and 3) to work towards international peace and security in accordance with the principles of the UN Charter, especially through conflict prevention, peacekeeping, peacemaking and humanitarian operations.

The development within security policy requires Danish Defence to strengthen its capacities in two central areas: 1) internationally deployable military capacities and 2) the ability to counter acts of terror and their consequences.

The United Nations is the main framework for the development of international rule of law. In recent years the UN has developed a more effective ability to decide and engage in peace support operations and this development should be supported. At the same time, the ability of the UN and regional organisations to prevent and resolve conflicts, for example in Africa, should be strengthened.

The political parties behind the Defence Agreement agree to maintain NATO as the central forum for joint and binding cooperation within security and defence policy. The collective defence remains strongly anchored within NATO, which also in the future will be the framework of the transatlantic partnership, thus countering new threats and guaranteeing European security. Denmark must still be able to make creditable contributions to NATO, including the NATO Response Force.

Danish Defence must be able to contribute with ready, well-equipped and effective forces for international operations as well as strengthened coordination between the military and the civilian, humanitarian effort in a specific area of operation.

Furthermore, in case of a possible elimination of the Danish opt-out with regard to the EU defence policy, Denmark will be able to participate in EU efforts outside the EU area within peace creation, peacekeeping, conflict prevention, humanitarian operations and the strengthening of international security in accordance with the principles of the UN Charter.

The political parties agree that the structure and capacity of Danish Defence during 2005-2009 should be organised in a way that will ensure that Denmark, in the event of a possible elimination of the opt-out, will be immediately able to make satisfactory contributions to future European defence initiatives, including combating terrorism, preventing the spread of weapons of mass destruction and peace support operations with force contributions from both the EU and NATO.

The current security environment, including the enlargement of NATO and the EU, is of such a nature that the conventional military threat to the Danish territory has disappeared for the foreseeable future. There is thus no longer a need for the mobilisation defence.

The terrorist attacks on 11 September 2001 and subsequent terrorist attacks have demonstrated that the security challenges and risks confronting Denmark and other nations have significantly changed. New asymmetric and unpredictable threats such as international terrorism and the spreading of weapons of mass destruction and their means of delivery have entered the scene.

The threats do not necessarily have to originate from Denmark's geographical proximity, but may nevertheless constitute a risk to Denmark, our allies and our common values even if they manifest themselves abroad. Accordingly, Danish security policy should primarily be aimed at countering the threats where they emerge, regardless of whether this is within or beyond Danish borders. Danish Defence should therefore – together with other national components – focus on strengthening the total defence of Denmark and its population and on ensuring Denmark's ability to participate in international operations.

The unpredictable nature of the threats means that organising Danish Defence to counter a well-defined threat scenario is no longer possible. In the future Danish Defence should therefore be organised according to a capacity-based approach whereby a wide range of capacities can be made available in situations where Danish security or Danish interests are directly or indirectly threatened or affected or where Danish responsibilities within the international cooperation make this necessary. The unpredictable nature of the threats requires a higher priority on military readiness and the ability to deploy military capacities wherever they are needed, regardless of whether this involves humanitarian efforts, peace support operations, emergency situations in or outside Denmark or participation in actual military operations.

### **Total Defence**

In general, total defence encompasses the utilisation of all resources in order to maintain an organised, functional society and to protect the population and the national assets.

The threats to be countered by total defence cut across national borders and the domestic administrative domains of various public authorities. As a result, threat containment requires joint solutions and close coordination between the responsible international and national authorities.

One of the benefits for Danish society derived from Danish Defence's existing conscript training for the mobilisation-based combat force is that a large part of the Danish population

was trained as conscripts in several disciplines that have now become increasingly relevant. This applies to fields such as surveillance, first aid, emergency response and defensive measures to counter atomic, biological and chemical weapons, etc. In the current situation, other parts of the conventional conscript training for territorial defence have lost much of their relevance, but personnel are still needed to enable Danish Defence to contribute to total defence. The compulsory military service, as stipulated in Section 81 of the Danish Constitution, should therefore be adjusted accordingly.

Total defence is to be strengthened to the greatest possible extent by integration of the tasks of the national emergency response effort and Danish Defence in a structure that ensures synergy and simplification. Similarly, the Home Guard is to be integrated into the operational and support structures of Danish Defence – without sacrificing its identity.

In addition, total defence is to be strengthened by establishing a total defence force comprising some 12,000 soldiers who have completed a relevant 700-hour training programme over a four-month period. Within the first three years following completion of the first joint military training programme, this force will be obligated to make itself available to Danish Defence for up to three months in connection with performance of total defence tasks for the Danish community, provided that the capabilities of the standing forces of Danish Defence, the national emergency response effort and the Home Guard are insufficient. The total defence force thereby ensures that Denmark has enough available capacity to contain threats against the country and to handle major catastrophes.

The requirements of Danish Defence determine the number of young people enrolled in military service. All young men are required and all young women are invited to attend “The Day of the Danish Defence”. On this day Danish Defence introduces itself, presents employment and career opportunities and distributes relevant information material. Based on their participation in this presentation of Danish Defence, the participants then inform Danish Defence whether they would like to do voluntary military service or whether they are interested in another form of employment with Danish Defence. Subsequently, Danish Defence draws up a contract for voluntary military training and determines the number of conscripts needed. Finally the suitability of individuals - conscripts as well as volunteers – for army service is examined.

Remuneration as well as other benefits for conscripts will be raised compared to the present remuneration during the first four months of military service.

Compulsory military service, including issues regarding number of conscripts, duration and contents of military service, will be evaluated at the end of 2006.

### **International Missions**

The armed forces are to be reorganised and developed. Together with Denmark’s allies, Danish Defence must be able to participate effectively in high intensity operations under conditions that are often difficult and unstable in order to provide the prerequisites for stabilisation of areas of conflict and to rapidly deploy forces in such areas. By so doing, Danish Defence can and must have a much greater ability than before to participate in peace-

support operations, including conflict prevention, peacekeeping, peacemaking, humanitarian and other similar missions.

The military effort must be planned in coordination with other Danish endeavours to obtain maximum effect of the overall effort and fortify Denmark's ability to assume responsibility. The relevant players should be brought together as early as possible to prepare the deployment of Danish military contingents so that it becomes possible from the beginning to define any relevant civilian stabilisation efforts in the field of military operations. A focused effort and mutual exploitation of military and civilian experience in this context would make it possible to obtain better results and thus – other things being equal – also reduce the need for a military presence.

In the joint opinion of the parties, the recent and foreseeable security policy development makes it possible to abolish the mobilisation defence in order to strengthen the ability of Danish Defence to contribute to total defence, including the ability to counter terrorist actions and their impact, and to deploy well-trained, well-equipped units on international missions. It must be possible to deploy Denmark's armed forces both at home and abroad, and if necessary the defence of Denmark will, in co-operation with Denmark's allies, obviously be the overriding task.

### **Other Issues**

Danish Defence is to be reorganised by streamlining and trimming the staff and support structure for the benefit of the operational capacities. Centralising the administration of personnel, equipment and establishments, etc. will reduce the current administrative tasks for the Defence Staff, the Royal Administration of Navigation and Hydrography, the Home Guard Command, the Defence Construction Service, the operational commands and subordinate authorities, including regiments, air bases, naval bases, schools, etc. The modifications will significantly shift the current balance between the staff and support structure and the operational commands in favour of operational capacities.

The parties to the agreement note that steps have been taken to outsource Danish Defence's ITC operations. The parties agree that the institutions and authorities of the Ministry of Defence must continue to be managed as efficiently as possible. A result of the Ministry's efficiency engineering strategy is that all operating tasks will be reviewed to assess their outsourcing suitability. As a result, the unexploited outsourcing potential will come into focus and competition on the private market will thus be exploited to obtain high efficiency and quality in the performance of operating assignments.

### **In summary:**

- Danish Defence will be reorganised to provide operational capacities and to release resources that enable Danish Defence to mobilise and deploy forces promptly and flexibly in international operations and to maintain deployed capacities corresponding to some 2,000 personnel (1,500 from the Army and 500 from the Navy and Air Force).
- The current mobilisation defence and affiliated structure are to be abolished. The remaining staff and support structures are to be streamlined and trimmed to meet the exact needs of the operational units, including total defence and other domestic task performance.
- The tasks of the national emergency management effort, the Home Guard and Danish Defence are to be gathered under the sphere of the Minister of Defence.

- The present compulsory military service scheme under the Ministry of Defence is to be reorganised and targeted on total defence. At the same time, this compulsory military service scheme will form the basis for military recruitment of anyone who wishes this and will in general contribute to embedding Danish Defence in the Danish community.
- The total number of operational units is to be reduced in exchange for a focused and qualitative reinforcement of the remaining units.
- Several military barracks and establishments are to be closed.
- Financial resources will be released for deploying Danish military contingents in international operations.

## **The Army**

2. The Army's capacity for rapid deployment of forces to prevent crises from arising or developing further will be strengthened. At the same time it must be possible to maintain forces abroad for a longer period of time and to a greater extent than before. Accordingly, the Army will be grouped into two brigades within the framework of the Danish Division. The Danish Division staff and divisional troops, as well as one of the brigades, will primarily consist of professional soldiers while the other brigade will primarily comprise soldiers on a response-force contract. The brigades will be organised to enable the flexible deployment of a relevant military contingent depending on the tasks and terms of the actual operations. It is assumed that deployment and logistics are planned and continuously tested in connection with exercises, participation in NATO's Response Force, etc. The Navy and Air Force will be included in this process in relation to sea and air transport so that military forces can be deployed at short notice.

The Danish Division with affiliated brigades and divisional troops is to be attached to the Allied Command Europe Rapid Reaction Corps with headquarters in Rheindahlen, Germany, and it will also be possible to attach these units to the Multinational Corps North East with headquarters in Poland. Furthermore, Denmark will continue to participate in the Multinational Standby Forces High Readiness Brigade for UN operations (SHIRBRIG) with a headquarters company, a reconnaissance unit, a military police unit and staff personnel. The forces assigned to SHIRBRIG will be recruited from the Army's two brigades.

The parties to the agreement agree that Denmark must work towards a development of SHIRBRIG so that the multinational brigade – in addition to peacekeeping operations on the basis of chapter VI of the UN Charter – can be deployed with more robust units in peace-enforcing operations on the basis of chapter VII of the UN Charter.

The compulsory military service is to be reorganised so that the training programme enables the conscripts to perform social tasks in a total defence context. The training programme is aimed at both military training, which comprises individual military training that enables the soldier to perform tasks in uncertain environments and training that enables the soldier to function in small units, under leadership, in connection with performance of tasks in a total defence context, as well as training in total defence capabilities (e.g. fire fighting, emergency response, maintaining law and order, etc.). Thus, the training programme is primarily aimed at a total defence effort in Denmark whereas the training of soldiers for actual combat units requires a considerably longer training programme in the form of a reaction force training programme of a duration of nine months, which is available to anyone who might be interested

in this with a view to permanent employment in the armed forces or deployment in international operations.

In addition to this, conscripts will still be used for tasks related to the obligations of Danish Defence towards the Royal Family, including the Life Guard and Cavalry Squadron. The readiness obligation of these conscripts, who are called up for 8 and 12 months respectively, ceases after the completion of their military service.

3. Based on the above, the Army will be reorganised as followed:

- Two brigades, Sjællandske Kampgruppe (Sealand Task Force), Jysk Kampgruppe (Jutland Task Force), the task force under the Danish Division, the Army Operational Command's reconnaissance battalion as well as the combat battalions – five in all – of the territorial defence will be abolished. In addition, a number of divisional troops will be abolished, including Squadron 724 (an anti-tank helicopter company) which forms part of the Air Force's present structure. The helicopters will be used for the establishment of a helicopter observation and light transport unit.
- The Danish Division with staff, one communication unit and one communication centre based in Haderslev and divisional troops in the form of one standing telegraph battalion and one electronic reconnaissance company in Fredericia, one cadre-manned military police company in Aalborg, one standing engineers battalion in Skive, one standing artillery unit consisting of staff, target reconnaissance battery and unit for managing air support in Oksbøl, a UAV battery (unmanned air vehicles for reconnaissance) and air defence missile unit in Varde. In addition to this, a company for civilian, military cooperation (CIMIC), to be located in Vordingborg. The parties to the agreement will decide how the CIMIC-capacity could be strengthened based on the evaluation of lessons learnt during the defence agreement period.
- 1st brigade consisting primarily of professional personnel is to be established with staff and staff company in Haderslev, one standing armoured battalion in Holstebro, one standing mechanized infantry battalion in Høvelte, one standing reconnaissance battalion in Slagelse, one standing, light reconnaissance squadron on Bornholm, one standing logistics battalion and one standing military police company in Aalborg, one standing armoured engineers company in Skive and one partly standing artillery unit in Varde. The brigade is designated to NATO at high readiness.
- 2nd brigade primarily comprising personnel on response force contracts is to be established with staff and staff company, one cadre-manned mechanized infantry battalion in Slagelse, one cadre-manned mechanized infantry battalion in Høvelte, one cadre-manned mechanized infantry battalion in Holstebro, one cadre-manned artillery unit in Varde, one cadre-manned armoured engineers company in Skive, one cadre-manned logistics battalion and one cadre-manned military police company in Aalborg as well as one standing, light reconnaissance squadron on Bornholm. The brigade is designated to NATO at lower readiness.
- The Danish Operational Logistics Group is to be established primarily with permanent personnel in Vordingborg.
- Jaegerkorpset (Danish army special forces) is to be increased to approximately 135 specially trained soldiers.
- Basic training is to be established in Aalborg, Skive, Holstebro, Fredericia, Varde, Slagelse, Høvelte and Vordingborg.
- The Army's school structure is to be adapted to the actual requirement. The Army's basic sergeant training programmes will be concentrated in Sønderborg.

- The three military bands within the Army's organisation are maintained.
- Sjælsmark Barracks will be sold whereas the training grounds in Melby will be closed and an attempt will be made to effect an exchange of the army range in Hevring, which will be demobilised. A garrison support unit will be set up at other establishments.

The Defence Budget is based on a calculated figure equivalent to some 2,150 full-time conscripts for the Army per year, corresponding to the actual calling up of approximately 6,000 conscripts each year. The total number of permanent personnel is approximately 9,150 full-time equivalents, and the number of response force contracts amounts to roughly 4,070, for which 27,800 sustainment training days have been earmarked.

In connection with the location of the Army's units and authorities, priority has been given to a balanced number of units in relation to regional considerations, expedient utilisation of barracks, including structural standard and environmental factors, as well as educational aspects, including exercise grounds. The subsequent consolidation of the various modifications may create a need for additional changes.

The following Army equipment is to be procured:

- Staff exercise simulation system (tactical simulation system for Army command training).
- Command and control systems (C3I) (communication and command systems).
- Reconnaissance vehicles.
- Infantry combat vehicles. A number of M113 armoured personnel carriers and 180 (Leopard 1) tanks are to be phased out.
- Armoured wheeled vehicles.
- Preliminary acquisition of a modern fire-support system.
- Rescue vehicles.
- Engineering equipment.
- Logistics (part I and II).
- Climatic equipment.
- Update of the Field Hospital.
- Tactical vehicles as well as special equipment for the Jaegerkorpset.
- ABC equipment for joint military utilisation.

### **Navy**

4. The specialised capabilities of the Navy with respect to carrying out littoral operations are to be maintained and the initiated development regarding flexible support vessels and patrol vessels is to be continued. The ability to participate in NATO's Standing Naval Forces, including participation in the NATO Response Force, is to be prioritised, thus creating a possibility for contributing relevant units and task group staff as well as the necessary command platform. Three patrol vessels are to be procured within the defence agreement period while four Standard Flex 300 vessels are to be phased out.

Moreover, the Danish Navy's capacity to perform domestic tasks, including tasks in the North Atlantic region, is to be maintained.

Several national and international initiatives regarding the government's responsibility for providing maritime security, for implementing measures to combat the pollution of marine

environments and for safeguarding the shipping trade against terrorism, involve increased inspection and monitoring of civilian shipping in Danish waters, which in turn increases the consumption of resources. To strengthen the operational performance of the emergency response service, the rescue coordination centres of the Air Force and the Navy are to be merged under Admiral Danish Fleet.

The Navy's compulsory military service is to be reorganised so that naval conscripts in principle undergo the same training programme as specified for Army conscripts. However, the Navy's training programme will also include a number of days at sea for the purpose of recruiting the Navy's permanent personnel. In addition to this, a number of conscripts will be called up for nine months as crew members on the Royal Yacht. Conscripts who serve a tour of duty on the Royal Yacht do not have a subsequent readiness obligation, as do other conscripts.

5. The Navy is otherwise to be reorganised as follows:

- The submarine service will be decommissioned.
- Danish Task Group Staff will remain in Korsør and will be designated to NATO at high readiness.
- The Maritime Assistance Service (MAS) under Admiral Danish Fleet in Århus, which is in the preliminary phase of development, is to be expanded.
- Two flexible support vessels with two crews and one maintenance crew are to be placed under the 2nd Squadron in Frederikshavn. One flexible support vessel with helicopter will be designated to NATO at high readiness.
- Three patrol vessels with three crews and one maintenance crew are to be placed under the 2nd Squadron in Korsør. Three corvettes are to be phased out concurrently with the gradual operational implementation of the patrol vessels. One patrol vessel or one corvette will be designated to NATO at high readiness.
- Ten patrol vessels (Standard Flex 300), including four vessels in combat configuration with four crews and one maintenance crew, are to be placed under the 2nd Squadron in Korsør. Two vessels in surveillance configuration with three crews are to be placed under the 1st Squadron in Korsør. Four vessels for mine counter measure operations with four crews and one maintenance crew are to be placed under the 2nd Squadron in Frederikshavn. Two vessels in combat configuration and two for mine counter measure operations are to be designated to NATO at high readiness. Two Lindormen-class minelayers and one Falster-class minelayer are to be phased out.
- The chartering of an additional civilian vessel for strategic sealift so that the total capacity amounts to two, pursuant to NATO's Prague Capabilities Commitment.
- Four Thetis-class offshore patrol vessels (OPV's) with four crews and one maintenance crew, as well as two fishery protection vessels and one Agdlek-class inspection cutter with a total of five crews are to be placed under the 1st Squadron in Frederikshavn.
- Two training vessels, one transport vessel and three icebreakers are to be placed under the 1st Squadron in Frederikshavn.
- Six MK II units with six crews and two environmental units are to be placed under the 1st Squadron in Korsør. Two environmental units under the 1st Squadron are to remain in Copenhagen. Eight Barsø-class cutters are to be phased out concurrently with the phasing in of the MK II vessels.
- The Navy's Frogman Corps (special forces) is to be increased to approximately 90 frogmen, and the Navy's EOD service is to be concentrated in Kongsøre.

- Operational logistics elements are to be established in Korsør and Frederikshavn that can separate the necessary logistics in conjunction with the deployment of naval units in international operations.
- The Naval Basic Training School is to be transferred from Auderød to Frederikshavn. The Naval Reserve Officers and NCO School is to be established in Frederikshavn. Auderød is to be sold.
- The number of squadrons is to be reduced to two. The 3rd Squadron and the 5th Squadron are to be decommissioned.

The total number of permanent naval employees is set at approx. 3,400, and the number of response force contracts is set at approx. 50, for which approx. 300 sustainment training days are earmarked each year. The Defence Budget is based on a calculated figure equivalent to some 200 full-time conscripts for the Navy annually.

In connection with the location of naval units and commands, priority has been given to the expedient utilisation of the necessary maintenance capacity, including technical competencies, etc., and to finding a suitable balance between the naval bases as the subsequent consolidation of the various modifications may create a need for additional changes.

The following equipment is to be procured for the Navy:

- Three patrol vessels.
- Radar and sensor packets for the patrol vessels.
- Four maritime helicopters for use on the Flexible Support Vessels and the Patrol Vessels.
- Lynx helicopter upgrade.
- Preliminary acquisition of air defence missiles, air-to-ground missiles and fire command integration for the patrol vessels.
- Insertion crafts and other special equipment for the Frogman Corps.

### **Air Force**

6. The influx of new transport aircraft (Hercules C130 J) and new helicopters (EH 101) increases the ability of the Air Force to support land-based military operations and humanitarian efforts, just as inspection aircraft (Challenger) give the Air Force sufficient capacity for environmental surveillance and for carrying out other domestic tasks, including tasks in the North Atlantic region. In addition, upgraded F-16 aircraft continue to constitute a significant capacity in relation to the defence of national sovereignty (defence readiness) and relevant participation in international operations, including participation in the NATO Response Force. The overall fighter aircraft structure, including the number of operational aircraft, is to be adapted in accordance with current tasks and with respect to the F-16 aircraft's total lifetime and the possibilities of introducing a new fighter aircraft in the long term.

The level of ambition for the Air Force's contribution of fighter aircraft to international operations is fixed at eight fighter aircraft at high readiness and eight fighter aircraft at lower readiness.

NATO's decision to establish a large air operation facility at Karup, which is a significant, high-priority contribution to NATO's air defence capacities, involves a need for continued

development of the command organisation of the Air Force, and for the Air Force to make a significant contribution of operational personnel and support for the air operation facility.

Danish participation in NATO's Prague Capabilities Commitment concerning air to air refuelling and strategic air transport is to be strengthened.

The Air Force's compulsory military service is to be reorganised so that Air Force conscripts in principle will undergo the same training programme as Army and Navy conscripts.

7. In addition, the Air Force will be reorganised as follows:

- The land-based air defence system (DeHawk) will be abolished.
- A staff will be established at the Air Tactical Command that can be detached and deployed autonomously or together with other Danish units.
- Eight fighter aircraft at high readiness and eight fighter aircraft at lower readiness will be designated to NATO, which means that, together with aircraft for national task performance, and with due consideration for the necessary number of training aircraft, the remaining flight time of each aircraft, etc., 48 operational F-16 aircraft will be maintained and organised in two squadrons, which are expected to be located at Skrydstrup Air Base.
- One transport aircraft at high readiness and an additional two transport aircraft for occasional deployment at lower readiness are to be designated to NATO. The aircraft are part of a transport unit consisting of four transport aircraft and three inspection aircraft based in Aalborg.
- One transport helicopter unit consisting of four helicopters is designated to NATO at high readiness. The contributions are to be part of a helicopter unit consisting of fourteen EH-101 helicopters, which also participate in national rescue efforts, etc. The helicopters are based at Karup Air Base.
- One helicopter observation and light transport detachment consisting of four helicopters is to be designated to NATO at high readiness. The detachment is part of a helicopter company consisting of eight Fennec helicopters.
- One mobile air operations facility with long-range radar based at Karup Air Base and Skrydstrup Air Base is designated to NATO at high readiness. In addition, the overall radar structure consists of one mobile radar (Mullebjerg), a stationary air operations facility (Karup) and two stationary radar facilities (Skagen and Bornholm).
- In addition to this, the following are designated to NATO at high readiness: one unit for establishing airfields, one communication unit, one unit for examining and air-evacuating casualties and a staff unit.
- The Air Force's Special Training School and the Air Force's Command and Combat Support School are to be amalgamated at Karup Air Base.
- The primary maintenance of transport aircraft, inspection aircraft and helicopters is to be outsourced, the main workshop at Værløse Air Base is to be closed down and the air base is to be sold.

The total number of permanent Air Force personnel is fixed at approx. 3,400, per year and the number of response force contracts is set at approx. 250, for which approx. 2,500 sustainment training days are earmarked each year. The Defence Budget is based on a calculated figure equivalent to some 100 full-time conscripts per year for the Air Force.

In determining the placement of the Air Force's units and commands, priority has been given to optimum utilisation of the total available capacity as the subsequent consolidation may create a need for additional changes.

The following equipment is to be procured for the Air Force:

- One Hercules C-130-J transport aircraft.
- Electronic warfare systems.
- Command and control systems for F-16s etc., (C3I, Link 16).
- Updating of F-16s (M5).
- Participation in PCC (air to air refuelling and strategic air transport).
- Mobile Control and Reporting Centre.
- Participation in NATO's jointly funded capability initiatives (PCC), including Allied Ground Surveillance and AWACS.

Denmark continues to participate in the Joint Strike Fighter project.

### **Joint Services**

8. The abolition of the mobilisation defence and affiliated structures as well as modern technology makes it possible to centralise the administrative functions of Danish Defence to achieve a more rational and efficient utilisation of the available resources. Centralisation of the administration also leads to fewer levels of administration, thereby shortening the chains of command and enhancing interdepartmental resource utilisation.

In order to streamline and improve the efficiency of the Department of the Ministry of Defence and to strengthen the lines of communication between the Minister of Defence and the Chief of Danish Defence, the Department is to be reorganised so that the activities of the Department are focused on strategic development and overall management and control. As a result of this, a number of tasks are to be transferred from the Department to the Defence Staff. The Defence Staff is to be located in Copenhagen as close to the Department as possible.

A powerful, centralised financial department is to be established under the Defence Staff, and the necessary qualitative and quantitative resources are to be allocated for the financial management of the armed forces.

9. In the light of the above, the joint military sphere is to be reorganised as follows:

- The Defence Personnel Service will be established as a central authority at the strategic management level and will be in charge of personnel-related matters. The Personnel Service is to be established on the basis of the Personnel Staff of the Defence Staff, similar functions at the Royal Danish Administration of Navigation and Hydrography, the Defence Construction Service and the Home Guard Command as well as the personnel administration departments of subordinate authorities. The Defence Personnel Service will be located partly in Copenhagen and partly in Hjørring.
- The Defence Material Service is to be established and charged with managing the entire material area on the basis of segments of the existing equipment staff and information staff of the Defence Staff, similar functions under the Royal Danish

Administration of Navigation and Hydrography, the Home Guard Command and the three existing material commands as well as the Defence Research Service. The Defence Material Service will be represented at the strategic management level of Danish Defence. In the area of ITC, the initiated outsourcing procedure is to continue so that Danish Defence will primarily run the operational ITC systems in future. A workshop structure comprising national and regional workshops and maintenance centres is to be established under the Material Service. Furthermore, a depot organisation is to be established comprising a main depot in Skrydstrup and a number of issuing depots affiliated with Danish Defence units. The Defence Material Service is to be located in Vedbæk.

- The Defence Research Establishment is to be decommissioned as a unit within the organisation of the Defence College and established as an individual department within the Defence Material Service.
- The Defence Construction and Establishment Service will be represented at the strategic management level of Danish Defence and will be established on the basis of the existing infrastructure segment of the Material Staff of the Defence Staff, the Defence Construction Service and subordinate authorities, as well as on the basis of corresponding functions of the Home Guard Command and the Royal Danish Administration of Navigation and Hydrography. The Service will be charged with the management of all tasks within the establishment area. A number of regional support centres are to be established for addressing local needs in relation to authorities, units and establishments. The Defence Construction and Establishment Service is to be located in Hjørring. The properties of the Defence Construction Service in Copenhagen and Viborg are to be sold.
- An Accounting Service is to be set up for managing the overall accounting activities of Danish Defence, including development, data validation, management of financial controller activities, etc.. The Defence Accounting Service will be represented at the strategic management level of Danish Defence and will be located in Hjørring.
- The initiated centralisation of the Defence Health Service is to continue and a number of regional healthcare centres are to be established for servicing all military authorities and units in the region concerned. The Health Service is to be located at Skalstrup Air Base, and the Jægersborg Barracks are to be sold.
- The initiated development of the Royal Danish Defence College, which in general leads to the reinforcement of core military competencies in international policy, strategy and military operations as well as military command and management, is to continue.
- Danish Defence's communication is to be strengthened by establishing the Defence Communication Service under the Chief of Defence. The Communication Service will manage the internal and external communication of the armed forces and thereby ensure the highest possible degree of transparency in defence matters.
- Organisational matters and the division of tasks between the Defence Information and Welfare Service, including the National Service Board, the Defence Communication Service and the Defence Personnel Service, will be evaluated during the defence agreement period.
- The number of personnel to be deployed in international staff services is to be adjusted to the reductions achieved in NATO's command structure.
- The Greenland Command and the Command of the Faeroe Islands are to continue as autonomous military authorities and are to be adjusted to the current development in the tasks of Danish Defence in the North Atlantic. In cooperation with NATO and

with the involvement of the Regional Government of the Faeroe Islands, it is being considered to demobilise the radar station and naval radio base on the Faeroe Islands.

- A working group is to be established with the aim of analysing pros and cons, including financial aspects, of amalgamating the three operational commands and the associated tasks in one joint operational command.

In determining the location of functional services of Danish Defence, priority has been given to exploiting Danish Defence's existing establishments and to balancing regional political factors.

The total human resources allocated to the joint military sphere involve approximately 7,850 full-time equivalents.

### **Home Guard**

10. The abolition of the mobilisation defence and the territorial defence, in their previous form, makes it possible for the Home Guard to target its efforts on total defence. The general structure of the Home Guard will be divided into an active and a passive structure.

Members of the active structure of the Home Guard have to undergo the mandatory training of 250-300 hours within the first three years of service, including a 100-hour basic training programme, in order to be issued weapons. In order to remain part of the active structure a member has to carry out a minimum of 24 hours of operationally relevant service each year. An additional requirement for annual shooting practice and training is laid down for personnel who have received a weapon. The active structure is made up of personnel with an adequate training level, which will be evaluated annually.

The active members of the Home Guard are, depending on their level of activity in activities of the Home Guard, part of the Home Guard's reaction force, the Naval Home Guard's seaborne units and other units within the Home Guard. In particular, the tasks of the so-called 3,000 man force will be redefined in order to allow the Home Guard to provide a similar reaction force divided across the five Local Defence Regions, in the future called Total Defence Regions. The aforementioned personnel will be trained equivalently to the total defence training given to conscripts in the Armed Forces. It is expected that the Home Guard will be aimed at total defence and joint contributions together with national rescue preparedness and the total defence force. The Home Guard will provide a command structure within the total defence regions, to which the other parts of the Armed Forces contribute 800-1,200 reserve officers and NCOs able to command personnel and formations from the Home Guard and the total defence force.

When employed, the Naval Home Guard will continue to be part of the navy's operational structure, taking part in the national maritime tasks, including general maritime surveillance, assistance to, for example, the Customs Service and the police. The Naval Home Guard will also take part in the maritime environmental preparedness and search and rescue preparedness. Measures of effectiveness for the operational tasks are to be laid down, including the ability to react on alerts.

The passive structure of the Home Guard consists of the remaining members of the Home Guard, who will not be issued equipment and weapons.

To exploit the synergy between the capacities of Danish Defence and the Home Guard, the Home Guard is to be incorporated into the support structure of Danish Defence. In addition to this, integration in the future total defence structure is being considered in conjunction with considerations on how to incorporate the tasks of the civilian preparedness into Danish Defence. Further integration is to be implemented so that the Home Guard maintains its identity.

Personnel who have completed the conscript training programme provided by the other armed forces may join the Home Guard forthwith on a voluntary basis in order to participate in the task force established by the Home Guard for performing total defence tasks.

11. On this basis, the Home Guard is to be reorganised as follows:

- The Home Guard will be divided into an active and a passive structure.
- The future role of the Home Guard Command is to be evaluated further and in connection with the considerations concerning the possible further integration of the structure and tasks of the national rescue preparedness into the general structure of the Armed Forces, cf. paragraph 12 in this document. The Home Guard is to be represented in the working group.
- The Home Guard is to be integrated into the defence support structure.
- The local defence regions are to be called total defence regions. Regions and districts are to be reorganised according to need.
- The tasks of the so-called “3000-man force” are to be redefined, and a task force of corresponding size is to be established and distributed on the five total defence regions.
- Using the 800-1,200 reserve officers and NCOs a command structure is to be established in each of the five regions capable of commanding the total defence force when activated.
- In future the military authorities of the Home Guard are to be serviced by the depot and maintenance structure of Danish Defence.

The Home Guard’s appropriation of approximately DKK 700 million (2004 price index) is to be scaled down to an appropriation of approximately DKK 430 million (2004 price index) concurrently with the integration into Danish Defence’s support structure and the redefinition of the Home Guard’s tasks and organisation.

The following equipment is to be acquired for the Home Guard:

- Personal equipment for high priority units.
- Five vessels to replace five MHV 90 class vessels.
- Simulation equipment (including naval simulator)
- Equipment for containing terrorist activities (equipment for surveillance, guarding, barricading, etc.).
- Maritime environmental equipment for the Naval Home Guard vessels.
- Communication equipment.
- Observation equipment.

The Home Guard shall also take over relevant equipment that has been phased out by the Armed Forces.

### **The National Rescue Preparedness**

12. The civilian preparedness with affiliated budget has been transferred to the sphere of the Minister of Defence as of 1 February 2004. It is agreed that the political agreement on the rescue preparedness after 2002 is to be respected.

By centralising the administration of the national rescue preparedness and Danish Defence's tasks into an integrated structure, total defence is strengthened while simultaneously synergising and simplifying the overall structure of total defence.

A task group has been appointed and charged with considering how to incorporate the structure and tasks of the national emergency preparedness into Danish Defence's general structure, including the way and extent to which joint utilisation of functional services, barracks, schools etc., can occur. The results of the task group's efforts must be presented by the end of 2004.

It is generally perceived that two factors are of particular importance for the successful integration of the national rescue preparedness into Danish Defence. Firstly, it must be ensured that the necessary reorganisation of Danish Defence is carried out so that sufficient focus is directed at the execution of the emergency management tasks, and on maintaining and developing the core competencies that exist in the national rescue preparedness structure. Secondly, it must be ensured that the efficient management of the daily rescue preparedness is maintained and developed. The mandate of the task group is enclosed as an appendix.

It has been assessed that the current radio systems of the emergency management authorities meet their daily needs for communication but that a need may exist to strengthen the communication capability in the event of large-scale emergency situations. On this basis, a committee is to be appointed and commissioned with the drafting of a proposal for a new nationwide radio communication system for the overall emergency management effort. It is assessed that the system can be implemented from 2007, at the earliest. The expenditure associated with this is to be covered by the defence appropriation within approximately DDK 15 million. The results of analyses etc. are to be presented to the parties to the agreement.

### **Other Issues**

13. DKK 2 million per year is to be allocated for the work performed by "The Blue Berets" association in support of personnel who have been deployed in international service.

14. DKK 7 million of the Ministry of Defence budget is to be allocated each year for carrying out specific projects related to defence policy and security policy at the Danish Institute for International Studies (DIIS). An additional DKK 5 million and the equivalent of approximately 10 fulltime employees are designated for the establishment of an independent security studies research capacity with focus on defence policy, which will organisationally be linked to the Defence College.

15. Danish Defence's personnel composition is to be continuously adapted with due consideration for Danish Defence's task performance, personnel-related flexibility, recruitment potential, structural adjustments, etc. Danish Defence must be a modern, dynamic and attractive workplace which is able to attract both men and women. Danish Defence will therefore focus on ensuring that recruitment for Danish Defence follows the general

development in society, aiming at a broad and varied recruitment base representing the diversity of Danish society. The requirements, including physical and psychological requirements for joining Danish Defence, are to be maintained.

An anonymous survey will be carried out among Danish soldiers in international missions concerning their attitudes towards the mission and the local population. The survey will also evaluate the training efforts of privates and officers in relation to stressful tasks abroad in order to assess if the existing preparation and training are adequate. The result of the survey will be presented to the parties to the agreement.

An attempt will be made to simplify the agreement complex within the Ministry of Defence following negotiations with relevant organisations. The manning level of Danish Defence calculated as full-time equivalents is to be reduced from approximately 29,000, of which 6,500 are full-time conscript equivalents, at the end of 2004 to approximately 26,400 full-time equivalents, of which approx. 2,450 are full-time conscript equivalents, by the end of 2009. The personnel composition etc. will be stated in the annual Finance Acts.

Reserve personnel will continue to be of great significance to Danish Defence's task performance in relation to international missions, but also in relation to the training of Danish Defence units and total defence. As a result of the abolition of the mobilisation defence and affiliated structures, the quantitative need will decline and for this reason the number of reserve officers in the structure is to be adjusted during the agreement period.

16. It is generally agreed that the daily operation of Danish Defence must be efficient and rational in respect of the actual tasks. Therefore, relevant efficiency engineering and adjustments of the organisation must be carried out at regular intervals to ensure optimal, relevant operational capability. Major structural reorganisation measures will be presented to the parties to the agreement.

17. It is further agreed that the budget must be observed. Unforeseen expenditure arising during the period must be offset by the necessary adjustment in the structure, other activities or the like. Such adjustments must be incorporated in the annual Finance Bill based on discussions with the parties to the agreement.

18. Detailed information on structural issues and resource consumption, including personnel, will be stated in the annual Finance Acts. The annual Finance Bills as well as the acts that implement the budget are to be discussed in advance with the parties to the agreement. In addition, these parties are to be kept up to date on matters within the framework of this agreement that are of significance to the personnel structure and the acquisition of equipment. Moreover, a statement of the total activities of Danish Defence, including deployments and redeployments, the financial situation of Danish Defence and the implementation of the agreement, especially the development of the functional services, is to be prepared each year as of 1 January. The statement is to be sent to the Defence Committee of the Danish Parliament for its information and should lay the groundwork for a discussion between the parties to the agreement. One of the purposes of the discussions is to consider necessary corrections to the development of Danish Defence during the agreement period in order to ensure ideal relevance of Danish Defence and its capacities and to evaluate the coherence between the activities, efforts and financial situation of the Home Guard.

19. The parties to the agreement are to be informed of the participation by Danish Defence in international operations, including operations under the auspices of the UN, NATO and - in the event that Danish Defence opt-out is abolished – the EU. The parties will determine their position on this in connection with the relevant parliamentary discussions.

20. It is generally agreed that the coordination of the military and civilian effort in international operations must be strengthened to synergise the individual efforts and increase the visibility of the overall Danish effort. A working group, which will include non-governmental rescue organisations, is to be established under the chairmanship of the Danish Ministry of Foreign Affairs to draw up procedures for the cooperation between the rescue organisations and the Danish Armed Forces. The result will be presented to and debated by the parties to the agreement.

21. The “Act on the Aims, Tasks and Organisation etc. of Danish Defence,” the “Act on Danish Defence Personnel”, the “Act on Conscription” and the “Home Guard Act” are to be amended in accordance with the present Danish Defence agreement.

22. A detailed consolidation of the individual projects of the agreement will be implemented up to the autumn of 2004. The results will be presented to the parties to the agreement to ensure the necessary structural and financial coherence, including an assessment of the possibilities of obtaining additional operational capacities within the financial framework.

23. The scope of the reorganisation of Danish Defence is such that substantial initial investment is required. It is estimated that this investment will amount to approx. DKK 1.5 billion, broken down as DKK 0.8 – 1.0 billion for buildings and renovation of buildings, and up to DKK 0.5 – 0.7 billion for personnel-related costs. A final calculation of the implementation expenditure will be prepared in connection with the consolidation of the agreement during the course of 2004.

It is agreed that the implementation expenditure is to be kept within the Danish Defence budget and that the reorganisation of Danish Defence must therefore be implemented over a period of time. It is also agreed that it is important that the implementation funds are not made available by making actual operating cutbacks since this will affect the operational capacities of Danish Defence, including the ability to deploy these capacities in the short and long term, and that this would also have a negative impact on Danish Defence personnel. It is also important that the international commitment, and the training carried out for this, including the participation in NATO’s Response Force, can be maintained and that the support structures must be capable of functioning properly during the implementation period.

In the light of this, the parties agree that the implementation funds can be obtained by reducing the ordinary building and construction programmes and by delaying the employment of some of the permanent military staff until later in the agreement period and using the labour costs thus saved for implementation expenditure. The parties also agree that Danish Defence – after the usual submission to the appropriation authorities – may spend the revenue from the sale of properties resulting from the transfer of military authorities and units on directly related investment expenditure or for acquiring properties for relocation of the military authorities and units in question. The proceeds from the sale of Danish Defence properties are to be placed in Section 35, from which the above-mentioned expenditure is to be paid. Expenditure in connection with the new NATO headquarters will also be paid from this.

It is estimated that the total personnel adjustments, including dismissals resulting from the present agreement, cannot be carried out solely by natural wastage. The job and training consultant scheme for supporting the employment and training of discharged or dismissed personnel is to be continued. Personnel adjustments resulting from the structural modifications are to be implemented in accordance with previous practice in respect of retraining, supplementary training, etc. and severance terms in general, including note no. 101 (Finance Act 2004) regarding the right to acquire up to an additional 10 years of pensionable age for personnel covered by the Civilian Worker Act. The affected personnel are to be offered other employment within Danish Defence wherever possible.

Furthermore, it is agreed that a working group under Defence Command Denmark is to be established to evaluate the beneficial arrangements for personnel that have been a part of the Danish Defence Agreement 2000 – 2004 in order to present proposals, as soon as possible and no later than 1 October 2004, for further possible steps within the existing framework in a manner that is practical for the personnel as well as Danish Defence. The personnel organisations will be included in this work.

An implementation plan is to be drafted and presented to the parties to the agreement.

The defence budget for the agreement period has been drawn up on the assumption that the defence budget will be adjusted according to previous practice<sup>1</sup> :

24. The defence budget (all the amounts are stated according to the 2004 price index).

**All amounts are MDKK**

| 2005   | 2006   | 2007   | 2008   | 2009   |
|--------|--------|--------|--------|--------|
| 18,600 | 19,300 | 19,300 | 19,200 | 19,100 |

To this should be added the transfer of the national rescue preparedness with affiliated budget (approximately DKK 450 million) to the sphere of the Minister of Defence from 1 February 2004.

Danish Defence is to be fully compensated for the operation of the ice-breaking services and for any new acquisitions for this.

25. An allocation of DKK 900 million p.a. of the total defence budget for 2005 is earmarked for the participation of Danish armed forces in international operations. In addition, DKK 50 million is to be earmarked for international police preparedness. The reserve totalling DKK 950 million is to be allocated to Section 35. General reserves may only be used following a decision to that effect by the Government and the Parliament. The reserve may only be activated for international operations. A reduced consumption of up to DKK 200 million for

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<sup>1</sup> In addition to the defence budget, Danish Defence may use any interest income earned under the independent liquidity scheme. The defence budget is to be regulated according to the same rules as the other government areas. Additional consumption or reduced consumption may be carried forward to the following fiscal year. Appropriations in excess of 2 per cent of the appropriation limit can only be carried forward with approval from the Finance Committee of the Danish Parliament. Danish Defence may, however, as a result of the significant structural changes, carry forward additional consumption or reduced consumption of up to 4 per cent to the following fiscal year during the agreement period.

the individual fiscal years can be carried forward to the subsequent fiscal years. If more than DKK 200 million are not spent in a fiscal year, the excess will revert to the national treasury. In case of a possible excess consumption the Parliament will decide how to provide the necessary funding.

26. Investment in equipment is to be increased and targeted in relation to relevant, future operational capabilities to an extent that diminishes the “technology gap” between Denmark and certain other allies. It should also be ensured that Denmark can live up to the commitment to participate in NATO’s capability initiatives, including strategic sea and air transport, air fuelling, etc., stated by the Government during the NATO Summit in autumn 2002.

Approximately DKK 2.845 billion is to be set aside each year for equipment investment and, as in the present agreement period, there must be a general balance between payments and allocations for new projects throughout the agreement period. The equipment debt at the end of 2009 will thus correspond to the debt at the end of 2004 of approximately DKK 6.7 billion (2004 price index). An equipment survey is enclosed.