

Future acquisitions for the Norwegian Defence Sector 2018–2025

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FORSVARSDEPARTEMENTET

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1. Introduction

The long term planning process outlines the continuous development of the Norwegian Defence Sector with respect to organisation, infrastructure (garrisons and bases), personnel (numbers, composition and qualifications) and materiel (existing equipment and new acquisitions). This process is carried out under the direction of the Royal Norwegian Ministry of Defence (MoD). The Long Term Plan – Materiel forms the basis for all materiel procurements in the short term (4 years), the medium term (8 years) and the long-term perspectives (20 years). The plan is updated annually to reflect updates based on changing requirements, available resources and progress in on-going acquisitions.

The Government recognises the vital role the defence industry plays in support of the Armed Forces' capabilities. This role ranges from the provision and maintenance of military equipment to the delivery of a wide range of support services. The Government's national strategy for the defence industry was recently revised, and presented as a new White Paper to Parliament (*Meld. St. 9 (2015–2016) Nasjonal forsvarsindustriell strategi*) and covers the relationship between the Defence Sector and the defence industry. The main reasons for presenting an updated White Paper are the developments in the security sphere over recent years, changes in the defence market both nationally and internationally, changes in terms and conditions, the introduction of the EU's defence and security procurement directive, in addition to an increased focus on preparedness and security of supply.

The new White Paper focuses on national security interests and security of supply as basis for the new policy and strategy. The policy will continue to maintain and develop an internationally competitive Norwegian defence industry in areas of relevance for the Norwegian Defence Sector.

Norwegian defence industry contributes substantially to our national economic growth, technological and industrial development, export related income and high-tech related employment. The aim of the strategy is to secure good cooperation between the defence sector and the defence industry based on our sector's need for cost-efficient deliveries of defence equipment and services. The strategy implies that Norway increasingly should cooperate with other nations on defence procurement. The strategy will also contribute to necessary predictability for Norwegian export companies. The Government upholds the governmental support programme for marketing and industrial cooperation.

A central feature in the annual updating of the Long Term Plan – Materiel is the preparation and publication of an unclassified overview of long-term materiel requirements. This publication does not examine each planned project in detail but creates opportunities for in-depth discussions between the Defence Sector and industry. Hence, industry can get an early insight into potential materiel investments.

The aim is to maintain highly skilled companies that individually or in cooperation with others, are able to support the needs of the Defence Sector. Having a proven and highly skilled industry is also fundamental for being able to compete in the international defence market, a market that in many ways remains closed.

The materiel investment projects are subject to decisions and approval by the MoD and the Parliament.

The projects listed in this publication are not approved for implementation. It is necessary to emphasise that any project not yet formally approved may subsequently be terminated or changed without any further explanation or liability.

Details relating to a small number of classified and sensitive projects are being withheld.

Approved projects are not addressed in the current publication but are included in the charts presented in para 3. Information about major projects in this category can be found, among other places, on the home page of the Norwegian Defence Materiel Agency (NDMA).

The current publication is available as an electronic document on the Defence Sector's section of the website <http://www.regjeringen.no>, and will not be published in paper format. An English version is published due to the statutory objectives and principles of procurement regulations, regarding competition and equal treatment.

2. Investments in the Norwegian Defence Sector

The Norwegian Defence Sector consisting of the Royal Norwegian Ministry of Defence and its subordinate bodies; the Norwegian Armed Forces, the Norwegian National Security Authority, the Norwegian Defence Estates Agency, the Norwegian Defence Materiel Agency and the Norwegian Defence Research Establishment. All materiel investments in the Defence Sector are approved by the MoD, and subordinate bodies execute the planning and procurements according to existing procedures. An important tool is the PRINSIX project model that describes phases, decision points and roles/responsibilities. This project model ensures a uniform execution of materiel procurements. The MoD has established several investment programmes to oversee and provide guidance through all the phases of materiel procurements.

Projects are typically conceived in two ways. One is the top-down approach which to a large extent deals with the major weapon systems resulting from strategic planning processes. The second way is the bottom-up approach which to a large extent deals with smaller requirements typically initiated by the services and users. At an early stage, the proposal is known as Project Idea (PI), which is assessed by the relevant investment programme. If the investment programme finds the PI to have merit, it is subsequently recommended to the MoD for approval and eventually further pursued and developed into a tentative project. This is the first formal decision point. Depending on the scope of the project, a conceptual study may be launched at this stage. However, smaller projects usually move directly to the next phase as described below.

In a conceptual study, alternative concepts are assessed with respect to how capability requirements can be resolved in conceptually different ways. The outcome of a conceptual study is submitted in a document referred to as a Conceptual Solution. This document forms the basis for the decisions that will be made at the end of this phase. External quality control of the conceptual study is done in accordance with guidelines from the Royal Norwegian Ministry of Finance for projects exceeding 750 million NOK.

Once the Conceptual Solution is approved, the project moves into the next phase which is the detailed planning process leading up to the approval of the acquisition of the materiel in question. During this phase, the project is referred to as a Planned Project. Important outcomes of this planning phase are scope, procurement strategy, timelines and contractual provisions.

Major materiel acquisitions with a scope exceeding 500 million NOK require approval from the Parliament. Projects with a lower scope are approved by the MoD.

Once a project has been approved, the MoD sends out an implementation order, usually to the Norwegian Defence Materiel Agency. A project in this phase is referred to as an Approved Project.