A CHANGING SECURITY ENVIRONMENT
The risk of large-scale conventional military aggression against the western democracies in NATO is gone, and warning times for the potential re-emergence of such a threat remain long. International terrorism has become a major security challenge in the 21st century, and it will take major efforts to eradicate it. Other major security challenges are international organised crime and proliferation of weapons of mass destruction and their means of delivery. Less obvious, but just as important, are epidemic diseases, the increase in man-made catastrophes, mass displacement of people, hunger, ethnic and cultural conflicts.

The diversity and unpredictability of these threats highlights the requirement to have agile, technologically superior, flexible and effective military forces and capabilities to meet these security challenges from wherever they may come. NATO’s credibility rests on its ability to transform its military capabilities to execute the full range of military missions, allowing it to respond effectively to all threats and crises. The development of the European Security and Defence Policy (ESDP) within the EU is complementary in its aims and objectives to those of the Alliance.

THE NEED FOR TRANSFORMATION
New risks and threats require continual transformation of armed forces. The new generation of security challenges can only be adequately met by a new transformational approach to defence. Terrorists can strike all over the world and national borders do not restrain the effects of use of weapons of mass destruction. Our security and defence policy must be based on recognition of these facts. The Norwegian armed forces will therefore be redesigned and given the tools to handle the new tasks within a framework of close civil-military and allied cooperation. We have to succeed in transforming our forces. History provides us with many examples of the disastrous effects that neglecting the need to transform defence forces may have. This was the case for Norway during some decisive years before World War II.

The issue should not be so much why transformation is necessary but how to achieve it. I believe the most efficient defence of Norway may well begin far beyond our own territory in the unlikely event that it should be needed. Our ability to successfully defend our own territory would to a large extent depend on our ability to operate together with allies and friends. Moreover, the demands on our forces would be quite similar to those posed by multinational operations beyond our borders.

A traditional national territorial defence makes little sense any more. The times of the large-scale army – the heritage from Napoleon – are gone, and the military sphere is in the midst of a revolution. Equipping soldiers was not very resource demanding in the personal-intensive defence structures of the past. Modern forces are becoming increasingly capital intensive. In an up-to-date defence structure, large investments – both in equipment and training – underpin each effective soldier. Transformation leads to fewer soldiers and smaller numbers of weapons, platforms and systems, each being far more efficient than before. Transformation requires large investments, further restructuring and development of new skills and, not least, a different mindset. Acquiring and operating new military capabilities is expensive. It is, however, less expensive than traditional modernisation, where units and equipment used to be replaced on a one-to-one basis.

ACHIEVING TRANSFORMATION
Although the Norwegian government has provided a historical growth in defence spending for the period 2000-2005, the size of our economy and other societal needs limit the resources that can be allocated for defence purposes. To remedy this limitation, we need continuously to look for further savings. New measures are needed to maximise the efficiency of the operations and maintenance costs of the peace-time establishment. These should include further downsizing and reorientation of the peace-time establishment to adapt it to the force structure and operational needs. There will be less money for investments in new capabilities if we keep up two garrisons where only one is really needed.

I am convinced that there is a large potential for savings in support functions, especially in the field of logistics. Although a joint logistics organisation has been in existence for a couple of years, I believe there are further savings to be made by streamlining the organisation, concentrating on its core functions and making the maximum use of available commercial markets. In addition, more cost-efficient logistics concepts should be adopted along with new models for partnership with industry and international cooperation. The scope, direction, and financing as well as management and business models for our defence infrastructure and research establishments will be reviewed.

High quality is required both for personnel and equipment. Flexible, deployable, mobile forces, fully interoperable with our allies and friends, are of decisive importance. On the other hand, being a small nation with limited capacity, we will – to a certain degree – also have to concentrate on niche capabilities in demand by the alliance and where our contribution can make a difference. Parts of our force contributions in Kosovo and Afghanistan, like special forces, explosives and mine clearance units, are examples of this.

Our focus, which will be on a joint and multinational working approach – bringing platforms, sensors, weapons systems and units together, operating in a network across all services – will exploit synergies and multiply force. Multinational cooperation as a means of sharing risks and increasing our collective security will strengthen the operability of our combined forces and enable us to use resources more effectively if we are to be truly able to operate together with allies and friends. Cooperation must gradually be developed to cover all areas, from research, development and experimentation to procurement and logistics – industrial aspects, education, training and exercises as well as operations within common force structures. This is the vision behind our decision to further develop our armed forces in an alliance-integrated direction. If we, together with partners in the Alliance, can make it work, it will strengthen both our national security and defence as well as NATO’s collective requirements.

We have embarked on an ambitious course of implementing this vision through bilateral and multilateral arrangements and agreements. The United States will always be an important ally and due to stronger similarities in volume and resources, closer cooperation with other allies in the North Sea area is also appropriate. Specific measures are still under development, but do already cover most of the areas mentioned above.

The basis for cooperation is a largely common military and strategic interest, where NATO allies are willing and able to cooperate. This presupposes a close-knit military and procurement cooperation at a level never practised before.

To fulfill these ambitions, our procurement system must become generally better connected to structural and operational planning, and more flexible and responsive to changing priorities and needs. A smaller but more agile Norwegian defence, with many of its different elements closely integrated in more or less standing multinational force structures, will require a different procurement process. Our equipment should primarily be bought in cooperation with others to ensure interoperability. Establishment of multinational force structures, reductions of national reserve forces, technological trends and associated costs will lead to demand for smaller series of equipment but with higher performance per unit. This, in combination with a higher wear and tear factor due to more frequent deployments, will lead the procurement process to become a more continuous top-down and managed process rather than today’s bottom-up sequential process.

CONCLUSION
I have outlined a strategic vision for a new generation of Norwegian defence, based on a new generation of risks and threats. This vision builds on the firm understanding that national defence can only take place in close cooperation with our NATO allies. The challenge facing us now is to transform this vision into relevant military capabilities. Our forces must be prepared to operate as part of an alliance-integrated structure, and to be truly able to operate together with our allies and friends.

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