



The Norwegian Defence Budget 2014

Key priorities for the Government

KEY PRIORITIES FOR THE GOVERNMENT

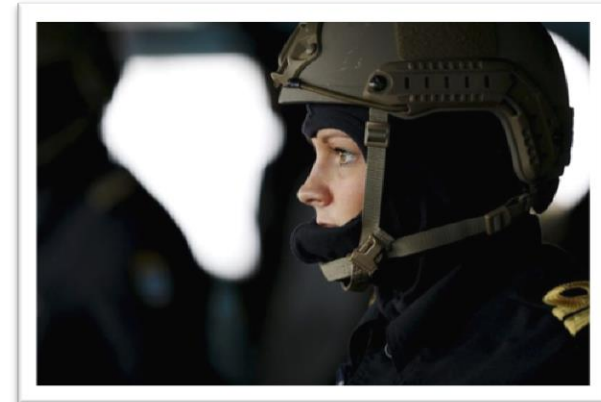
- A strong and credible NATO as the bedrock for Norwegian security
- Reinforce bi- and multilateral cooperation with allies and partners
- Further accelerate the development of a robust, flexible and modern Norwegian Defence
- Continued focus on the high north
- Increased preparedness for societal security
- Taking the personnel and competency reform further



A real and sustainable balance between ambitions, structure and allocations requires increased budgets together with continued modernisation, reform and rationalisation

GENERAL PRIORITIES IN THE 2014 BUDGET

- Increased operational capability in all services and the Home Guard
- Increased funding of continued modernization, preparedness and support for societal security
- Full commitment to supporting our veterans
- Prepare introduction of compulsory military service for both genders
- Changing our posture in Afghanistan

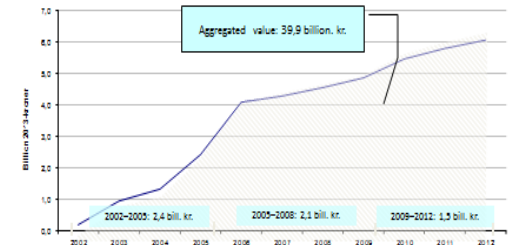


ADDITIONAL PRIORITIES AND FOCUS AREAS FOR THE GOVERNMENT (1)

Focus on further reform and rationalisation:

- Improved and rationalised management structures
- Smarter solutions and co-operation with commercial actors
- External benchmarking of day-to-day operations in the MOD and subordinate structures
- Simplification of personnel and management systems

Internal re-allocation of resources and rationalization in the Defence Sector 2002–2012



ADDITIONAL PRIORITIES AND FOCUS AREAS FOR THE GOVERNMENT (2)

Conduct a review of the Integrated Strategic Leadership model:

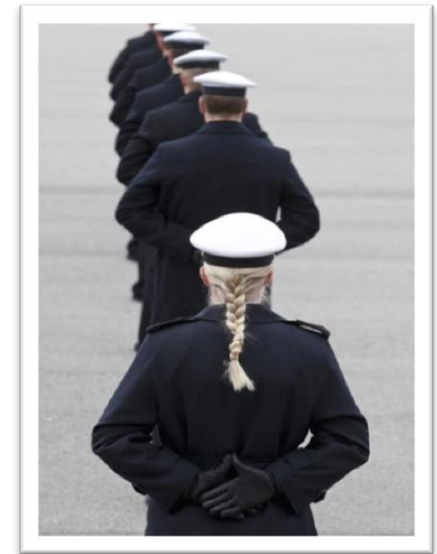
- Particular focus on the role of the Chief of Defence



ADDITIONAL PRIORITIES AND FOCUS AREAS FOR THE GOVERNMENT (3)

Modernise and further develop the personnel categories in the sector :

- Review the Officer Corps and align it better with Allied standards
- Address recruitment and retention challenges in the maritime parts of the defence sector



NEW F-35 COMBAT AIRCRAFT

- Continue the procurement of up to 52 aircraft
- Ensure predictable funding, with a considerable part of the costs covered through an addition to the ordinary budget



CHANGE OF POSTURE IN AFGHANISTAN

- Reduced but continued presence
- Reallocation of funds to other areas of priority within the defence sector



PROPOSED CONCRETE CHANGES TO THE 2014 BUDGET



**INCREASED FUNDING TO IMPROVE THE
BALANCE AND OUTPUT IN THE CURRENT
LONG TERM PLAN**



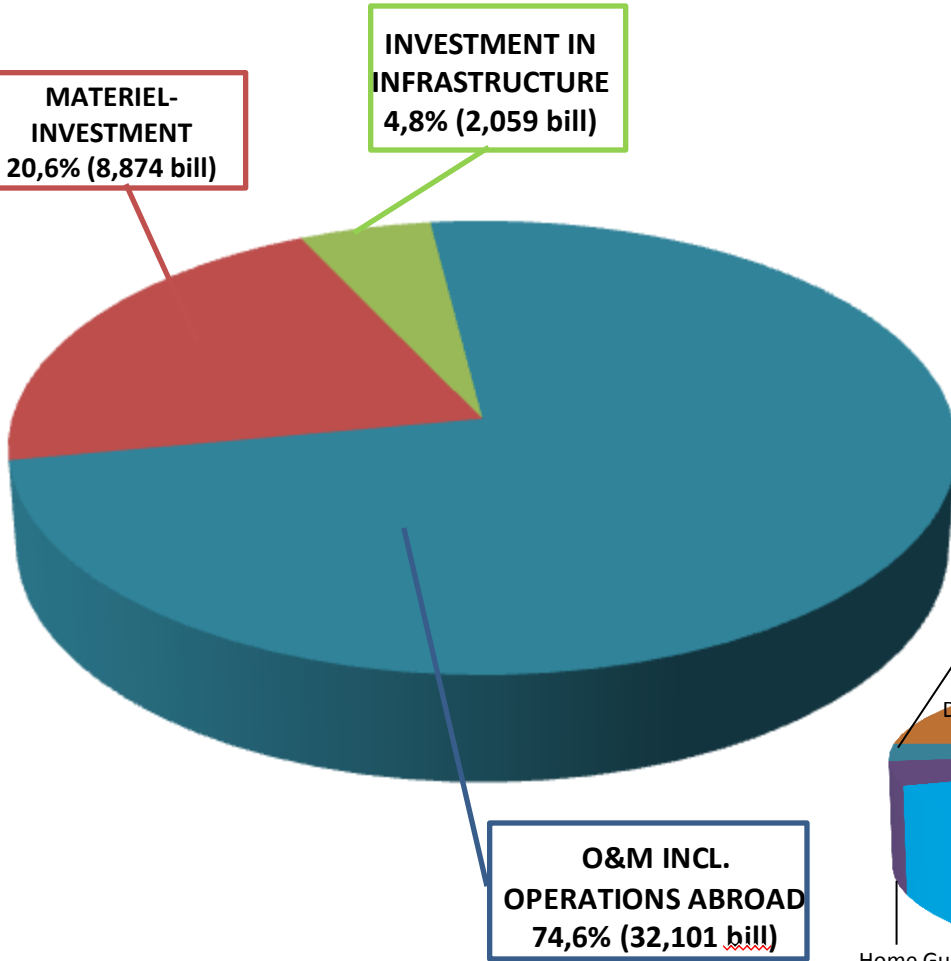
**A FIRST STEP TOWARDS THE FURTHER
DEVELOPMENT OF A ROBUST, FLEXIBLE
AND MODERN NORWEGIAN DEFENCE**

- Increased operational activity in the Home Guard Rapid Reaction Units **(7 mill. NOK)**
- Increased operational activity for the Coast Guard in Northern Norway **(13,9 mill. NOK)**
- Extra appropriation to secure the permanent national readiness for the Naval Special Forces **(8,5 mill. NOK)**

TOTAL BUDGET OF 43 BILLION NOK/5,4 BILLION EUR

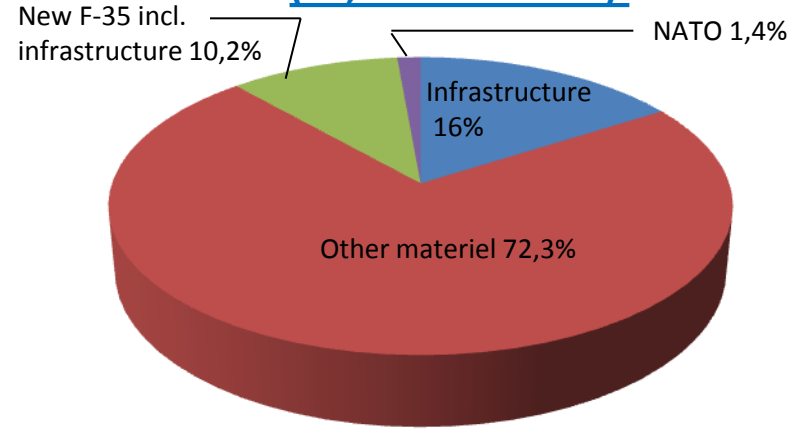
- 188 million NOK/23,5 million EUR in efficiency gains
- 338 million NOK/42,2 million EUR reallocated through reduced presence in Afghanistan
- Total increase in purchasing power of 526 million NOK/65,8 million EUR
- Still largest per-capita defence budget among European NATO allies
- Defence budget as share of GDP estimated at 1,58 %

THE DEFENCE BUDGET 2014: (43,034 BILL. NOK):



INVESTMENT BUDGET

(10,932 BILL. NOK):



O & M BUDGET (32,101 BILL. NOK):

