

AGREEMENT ON ARCTIC CAPABILITIES

11 February 2021

The Danish Government (the Social Democratic Party) and Venstre (The Liberal Party), the Danish People's Party, the Social Liberal Party, the Conservative Party and the Liberal Alliance (hereinafter referred to as "the Parties") have entered into a framework agreement on the strengthening of the Danish Defence's capabilities in the Arctic and the North Atlantic.

The Agreement is financed by the additional funds from the Supplemental Agreement for the Danish Defence 2018-2023 in accordance with *Appendix 1*.

The situation in the Arctic is rapidly changing. Global warming opens new sea routes and makes natural resources accessible. Climate change increases economic and research activities while at the same time having security policy implications. As a result, many actors have increased their focus on the Arctic. Russia is increasing its activity and military build-up in the region.

The Parties agree that Denmark, the Faroe Islands and Greenland have a special responsibility in regards to defence and security in the Arctic and the North Atlantic. A responsibility we must take seriously. The Danish Defence will be strengthened with new capabilities to monitor the increased activity in the region. A task which is best solved in close cooperation with the United States and Arctic Allies, founded on NATO and in respect of international agreements, including the Ilulissat Declaration.

The Parties underline that the increased effort in the Arctic and the North Atlantic has both military and civilian benefits. The Danish Defence will be strengthened to support civil society with search and rescue operations, emergency operations, environmental surveillance, fisheries control, climate monitoring and research etc.

The increased presence should be done in a way that limits the carbon footprint in the vulnerable Arctic environment. This will for example be done with the use of drones and satellites as well as energy efficient solutions in the implementation of the initiatives.

It is the Parties' aim that the new investments will support the Danish, Faroese and Greenlandic industry and defence industry, and create local jobs, use the local labor force and create growth on the Faroe Islands and in Greenland. The close and good cooperation with Air Greenland on search and rescue and transportation tasks will be strengthened. The Danish Defense will make use of the possibilities of using an Air Greenland aircraft in the context of the Danish Defence's tasks in Greenland. At the same time the close cooperation with Greenlandic institutions will be strengthened. Political support from the Faroe Islands and Greenland to the radars and construction work is of key importance. The Danish Ministry of Defence has a close dialogue with the Faroe Islands and Greenland and looks forward to their responses and a continued close cooperation.

A new basic military training will be established in cooperation with Naalakkersuisut (The Government of Greenland) in order to strengthen Greenlandic citizens' opportunities to take part in the defence of Greenland. The training will also support the emergency management and the voluntary force in Greenland. A part of the allocated funds for exercises and training will be used for emergency management purposes.

The Agreement meets requests from NATO to Denmark, including long endurance surveillance drones and an air surveillance radar on the Faroe Islands. As the drones will be a major acquisition, the Parties will be consulted in the acquisition. A preliminary study, which will analyse relevant types of drones, will be presented to the Parties. The Parties find it crucial that Denmark with the acquirement of long endurance surveillance drones delivers on NATO's prioritized Capability Target on an airborne signal collection capability.

The Parties note that outside the Agreement, but within the Danish Ministry of Defence's budget, funds are allocated for the renovation of the runway at Kangerlussuaq to the benefit of both the Danish Defence and Greenland.

ANNEX 1: NEW CAPABILITIES FOR THE DANISH DEFENCE

The implementation of the agreement on Arctic capabilities will require acquisitions for 1.5 billion Danish Kroner and operating expenses of 300 million Danish Kroner annually.

Within this framework agreement, the Danish Ministry of Defence can allocate resources between initiatives in consultation with the Parties.

The Parties will on a regular basis be informed about the implementation of the Agreement.

Table 1. New capabilities and initiatives

Capability	Acquisition* <i>(million DKK)</i>
Air surveillance radar on the Faroe Islands	390
Long endurance surveillance drones	750 **
Space based surveillance	85
Ground station	40
Satellite communication	(operation)
Coastal radars	20
Ship-based tactical UAS	60
Intelligence processing and analysis	20
Tactical communication links	40
Basic military training in Greenland	50
Exercises and training	35
Space industry and research fund	10
Liaison officers	(operation)
Cooperation with Greenlandic institutions (up to 10m DKK annually)	(operation)

*Acquisition covers both operating acquisition expenses related to the acquisition of new capacities.

**If the preliminary study on drone types results in a requirement for further financial resources, this will be discussed between the Parties in the framework of the next Defence Agreement.