

In the interest of the Netherlands

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A word from the Minister of Defence

The Netherlands has its own unique role to play in the world, having interests to protect as well as values to promote. We live in a time of great insecurity. Domestic and foreign sources of threats and risks, which may gravely affect our interests, are difficult to predict. Defence is not a luxury but a fundamental investment in our freedom, security and prosperity.

We can rightly be proud of the continuing efforts of the Netherlands armed forces. Our military personnel contribute significantly to international security and stability, protect humanitarian and economic interests, strengthen our alliances and provide assistance in the area of national security. Our country, with its very open economy, benefits greatly from this.

In the coalition agreement of October 2012, entitled 'Building Bridges', it was announced that a vision would be developed for the armed forces based on the available budget. The original plans for the replacement of the F-16 had proven to be unfeasible without an adjustment of the total budget. Moreover, there were a number of national measures and internal reorganisations which still had to be implemented.

The reality is that, in the past two decades, the military has undergone massive cutbacks in both size and capabilities. Many measures have since led to more efficiency. There has been, for instance, an increase in international cooperation, and services and resources are being used jointly by the armed forces Services. At the same time, it cannot be denied that the armed forces have lost some of their strength. They were involved in an intensive deployment involving all Services, and yet at the same time their deployability and escalation capability were being reduced. And the restructuring of the organisation continues at a fast pace. The reorganisations and reforms have therefore taken a heavy toll on our personnel over a prolonged period of time.

This paper is based on two guiding principles. Firstly, the Netherlands armed forces must continue to be able to deal appropriately with diffuse threats and risks, now and in the future. The combination of basic and niche capabilities that the armed forces currently have at their disposal forms a solid foundation on which to build. A one-sided orientation on a single type of mission would be unwise. The Netherlands must continue to be prepared for a wide range of deployments, in all phases of a conflict and, if necessary, far from our borders. Secondly, the armed forces must be affordable, both now and in the longer term. We have integrated these two principles by striving for both operational and financial sustainability.

Having a military that is future-proof is in the interest of the Netherlands. By future-proof, we mean a military with highly trained and educated personnel and with essential, high-quality and multifunctional military capabilities. A military that is relevant to today's challenges, but also one that can participate to a lesser extent than before in prolonged missions. A military that is firmly embedded in international structures and, for certain aspects, dependent on its partners. Considering the experiences of the past two decades, and in the light of international developments and the current financial situation, we believe this is a realistic orientation.

Lastly, this paper on the future of the armed forces must take into account the current economic climate. But it is worth remembering that having robust and responsive armed forces is in *our own* interest. This is in keeping with the position of the Netherlands as a trading nation, as the fifth most competitive economy and as the seventh largest exporter in the world. Global developments lead us to expect that future military missions will be no less demanding or diverse than they are today. We will continue to need strong and internationally adaptable armed forces. This will by no means happen automatically, however. It will require a continuous effort and an awareness of the value of the Defence organisation. In the interest of the Netherlands.

The Minister of Defence

Jeanine Hennis-Plasschaert

1. The strategic environment

An open society such as the Netherlands is highly dependent on the rest of the world. This demands that we adopt an alert attitude in order to seize opportunities as they arise but also to be able to act if risks — be they foreign or domestic — develop into threats to our freedom, security and prosperity.

The world is constantly evolving as a result of the shifting geopolitical and economic balance of power. The transatlantic axis, which for decades brought Europe and North America freedom, security and prosperity, is gradually making way for a multipolar order involving new actors. The most important constant in international relations is uncertainty. This uncertainty goes hand in hand with decreasing stability, suddenly emerging crises and new sources of international tension. Conflicts in North Africa and the Middle East are manifestations of that uncertainty. At the same time, the cohesion of international security institutions is under pressure, in part due to the economic and financial crisis. In contrast to countries elsewhere in the world, European countries have been significantly reducing their defence spending.

Against the backdrop of the shifting global balance of power, the United States is focusing more than before on Asia. Europe, and therefore the Netherlands, will increasingly have to protect its own interests, certainly with regard to neighbouring regions such as North Africa, the Sahel and the Middle East. Sources of instability, such as ineffective and illegitimate government, competition for raw materials, lack of economic perspective, humanitarian emergencies and refugee flows, are items that are high on the European security agenda.

It is clear that any disruption in the supply of raw materials and goods to Europe would have devastating economic effects on countries including the Netherlands. Securing supply routes, protecting vital infrastructure and promoting stability in states or regions can reduce these risks. The Netherlands also has an interest in international cooperation

The point of departure for this paper is the security analysis carried out on the basis of the results of the interdepartmental Strategic Monitor.

The Monitor, which followed the Future Policy Survey of 2010, also forms the basis for the International Security Strategy (IVS) of the Ministry of Foreign Affairs and the National Security Strategy (SNV) of the Ministry of Security and Justice. The present paper is aligned with both the IVS and the SNV.

The IVS identifies the defence of Dutch and Allied territory, economic security and a functioning international rule of law as vital national interests.

The SNV lists five vital interests: territorial security, physical security, economic security, ecological security, and social and political stability.

The Counterterrorism Strategy should also be mentioned in this context.

in the areas of arms control and nuclear security as well as in combating terrorism and the proliferation of weapons technologies.

Furthermore, progressive digitalisation and our growing dependency on networks increase our society's vulnerability. Reducing that vulnerability — and therefore increasing our resilience — requires explicit attention.

2. Military developments

The armed forces must be able to respond to military developments. Operational relevance continues to be the guiding principle. The armed forces are deployed in a wide variety of scenarios.

Many of our missions are conducted at great distances from the Netherlands. The armed forces have shown that they have the expeditionary capabilities to take on these demanding missions in a professional manner. The modular structure of units has also proven its worth in practice. Furthermore, the 3-D approach (*Defence, Diplomacy and Development*) has been developed and implemented successfully during our stabilisation and reconstruction missions.

The proliferation of sophisticated civilian and military technology to non-Western states and non-state actors remains a cause for concern. This includes mobile air defence, maritime systems, cyber capabilities and ballistic weapons. At the same time, Europe is making slow progress in the necessary broadening of its military capabilities and its ability to conduct large-scale (offensive) operations.

The level of force in conflicts is difficult to predict and does not provide any guidance for the structuring of the armed forces. Whether an operation involves prevention, deterrence, intervention, stabilisation or reconstruction, experience has shown time and again that units on deployment must be robust and have sufficient escalation dominance to be able to achieve our political and military objectives. The move towards integrated, network-enabled operations involving ground troops and fighter aircraft, as demonstrated in Afghanistan and Libya, is well under way. The counterpiracy operations off the coast of Somalia are another example of network-enabled operations. Unmanned reconnaissance assets are playing an increasingly important role in this respect.

A striking military technological trend is the ever-decreasing degree to which weapon systems are manned. Other trends include the integration of non-lethal effects in operations and the use of new, high-quality materials in weapon systems to protect military personnel. The continuing development of information and communications technology continues to be

In 2012, NATO identified several military shortfalls, including:

- Information security (including Cyber Defence)
- Protection and detection assets against ballistic weapons; chemical, biological radiological and nuclear (CBRN) threats; improvised explosive devices (IEDs); etc.
- Command and control, logistic capabilities (including medical capabilities), stabilisation and reconstruction capabilities
- Aircraft and helicopter capabilities to support special operations
- Precision-guided munitions and joint firepower
- Intelligence, surveillance and reconnaissance
- Air-to-air refuelling
- Strategic air transport

important. For instance, the power of quantum computing presents both an opportunity and a threat. The same is true of the development of advanced deceptive malware designed to disrupt command-and-control systems. New developments are taking place in quick succession. Together with research institutes and the commercial sector, the Defence organisation will assess the options for military applications of these new technologies. During missions, but in the national domain as well, cyber security is increasingly becoming an area which demands much attention and effort.

Furthermore, the capabilities of the armed forces are increasingly being deployed to support and complement those of civil authorities. After all, the Defence organisation has specialist capabilities, knowledge and expertise at its disposal, and experiences gained during expeditionary operations can often be applied very successfully in the national domain.

3. Cooperation in perspective

The Netherlands is unable to guarantee its security on its own. Our security interests are interwoven with the world around us. NATO therefore continues to be the cornerstone of our security policy. Further enhancement of military cooperation, with like-minded countries and in multinational contexts, is a goal we are explicitly pursuing. A strong European Union is in NATO's interest.

The international level

The security policy of the Netherlands is largely given form in bilateral contexts and in international organisations such as NATO, the EU, the UN and the OSCE. The sharing of burdens and risks among member states is essential for the credibility and effectiveness of these organisations. This is expressed, for instance, in the obligation to provide mutual assistance agreed by the NATO member states in 1949.

International military cooperation comes about as a result of both top-down and bottom-up initiatives. NATO and the EU play a coordinating and supporting role, for instance by identifying shortfalls and developing doctrine and concepts. In addition, by establishing interoperability requirements, they give guidance to member states' development and procurement of materiel. Bottom-up initiatives often arise from the practical cooperation between two or more countries and can subsequently be adopted as best practices by other countries. The current intensification of our cooperation with Belgium, Germany and Luxembourg is an example of this.

The further intensification of international military cooperation is a process that takes time. And it is important to remember that the costs generally precede the benefits. In order to enjoy the fruits of efficient cooperation, prior investment is often necessary. Various international initiatives have led to concrete results, but less quickly than had been hoped. Cooperation implies an

International military cooperation

Examples of successful bilateral military cooperation are the Benelux Admiralty (maritime), the German-Netherlands Corps headquarters (army) and the UK/NL Amphibious Force (marines). In all three cases, the cooperation involves the integration of units and capabilities.

Extensive cooperation is planned with Belgium and Luxembourg in terms of the air force. This concerns a joint helicopter command and the combined patrolling of airspace with fighter aircraft. The Benelux countries are to work together with Germany in the training of paratroopers and in the area of fire support. Germany and the Netherlands are assessing the possibilities of working together in the procurement of unmanned aerial vehicles (UAVs).

The Netherlands is a participant in the European Air Transport Command and in the C-17 initiative for the shared use of large transport aircraft. The Royal Netherlands Marechaussee is a member of the European Gendarmerie Force.

The Netherlands is leading the EU's Air-to-Air Refuelling project, aimed at the modernisation and expansion of the European tanker capability in the medium term. Within NATO, the Netherlands is heading the project aimed at tracking down the makers of IEDs with the use of biometrics.

increasing dependency on others and investments in specific capabilities. This does not alter the fact that cooperation is no longer a matter of choice but a matter of pure necessity. Deployability and the ability to sustain prolonged operations can be enhanced, and capabilities that are lacking can be compensated for. The Netherlands armed forces are in an excellent starting position in this respect. Their professionalism and use of high-quality technology mean they are an attractive partner.

Deployments, exercises and training are increasingly being conducted in an international context. Dutch units operate together with foreign partners who bring unique capabilities to the table, and vice versa. Closer cooperation is the best way to keep our military striking power up to the mark. As a result, international cooperation is becoming an increasingly important factor in the procurement, maintenance, disposal and deployment of military capabilities.

As mentioned earlier, NATO and the EU play an important role in intensifying military cooperation. They form the multilateral framework in which the Netherlands armed forces are generally deployed, and they provide guidance and direction to the development of military capabilities. The requirements of NATO and the EU are therefore an important touchstone for the structuring of our armed forces, and consequently the Netherlands is in close contact with Allied Command Transformation. The Netherlands explicitly endorses NATO's Forces 2020 initiative to improve military effectiveness and remedy military shortfalls whilst maintaining an appropriate balance.

More intensive cooperation with neighbouring countries and in multilateral contexts will greatly benefit our country. The question of sovereignty need not be an impediment in this respect. The focus is on increasing our political and military ability to act.

The national level

When it comes to our national security, cooperation is once again the watchword. The Defence organisation contributes to our national security each and every day. Almost a third of our military capacity is deployed continually for this purpose. This concerns matters such as border control, airspace monitoring, cyber activities, search and rescue, coastguard tasks and the deployment of special assistance units. There is close cooperation with the civil authorities in these areas. Furthermore, the Defence organisation has the means to complement and expand the capabilities of the civil authorities, for instance with specific support assets such as observation systems, rapidly deployable command, control and communications systems and, of course, professional and highly trained personnel. Further steps are being taken to get the best possible return from the civilian and military capabilities for our national security.

The commercial sector and research institutes

In the future, the Defence organisation will continue to make use of the knowledge and expertise of the commercial sector and research institutes. The Defence Materiel Development Committee (Codemo) already has funds at its disposal allowing companies to manufacture promising products. Units of the armed forces will then test those products. This allows the Defence organisation to discover promising, innovative products and enables companies to better meet the requirements of the armed forces. The Defence Industry Strategy (DIS) voices the importance which the Dutch government attaches to the defence and security industry and details the relationship between industry and government. Together with the Netherlands Industries for Defence and Security Foundation (NIDV), the Defence organisation assesses which activities may be contracted out to the commercial sector. In accordance with the review protocol for materiel procurement, purchasing commercial off-the-shelf products remains the basic principle. Only in exceptional cases will it be necessary to take part in a development process or to partly carry out the system development and integration independently. In that case, if at all possible, the 'golden triangle' — consisting of the Defence organisation, the commercial sector and research institutes — will be involved. Not only does this benefit the Defence organisation, it is also good for the creation of high-quality jobs and for the competitive position of the Netherlands.

Recruitment

The Ministry of Defence has signed a covenant with the Ministry of Education and Science regarding the secondary vocational course 'Security and Proficiency' (VeVa). Military instructors teach at the Regional Training Centres and provide support in the practical instruction of students. This allows students to familiarise themselves with the armed forces and form a realistic impression of the profession.

Technical, medical and IT personnel are scarce in the Netherlands, and this also affects the Defence organisation. For this reason, the Confederation of Netherlands Industry and Employers (VNO-NCW) and the Defence organisation will together look into ways to recruit and retain sufficient numbers of qualified personnel in these areas.

4. Tasks, strategic functions and required capabilities

In the future, the Netherlands armed forces must continue to be prepared for (unpredictable) threats and risks. The tasks the armed forces must be able to perform are diverse. Maintaining essential capabilities is therefore of the utmost importance.

The armed forces serve the security interests of the Netherlands. Article 97 of the Constitution states: “there shall be armed forces for the defence and protection of the interests of the Kingdom, and in order to maintain and promote the international rule of law”.

The three core tasks of the armed forces are:

1. Protecting Dutch and Allied territory, including the Caribbean parts of the Kingdom.
2. Promoting stability and the international rule of law.
3. Supporting civil authorities in upholding the law and providing disaster relief and humanitarian assistance, both nationally and internationally.

The experiences of the past two decades are illustrative of the diverse missions our armed forces must be able to conduct. They include the missions in the Balkans — including Operation Allied Force in Kosovo — the stabilisation missions in Iraq and Afghanistan, the maritime embargo Active Endeavour, the counterpiracy operations Atalanta and Ocean Shield off the coast of Somalia, the continuing contributions to UN observer missions, border control by the Royal Netherlands Marechaussee, air policing over the Baltic states, and the deployment of Patriot units to Turkey.

Periodically, the Netherlands armed forces form part of the stand-by forces of both NATO (NATO Response Force) and the EU (EU Battle Groups). These rapidly deployable units are capable of operating across the entire spectrum of force and generally serve as an initial-entry capability.

So far, NATO and the EU have made little or no use of these rapidly deployable units. This is to change in the coming years, particularly now that the large-scale international military involvement in Afghanistan is coming to an end. The key to maintaining that high

The seven strategic functions

Anticipation. Preparing for foreseen and unforeseen developments and incidents that may affect the interests of the Kingdom or the international rule of law.

Prevention. Operating within the country and abroad to counter threats to the interests of the Kingdom and the international rule of law.

Deterrence. Discouraging activities that conflict with the interests of the Kingdom or the international rule of law by holding out the credible prospect of retaliatory measures.

Protection. Protecting and, if necessary, defending national and Alliance territory as well as ensuring the security of Dutch citizens within the country and abroad and of property registered in the Kingdom.

Intervention. Enforcing a change in the behaviour of actors that threaten the security interests of the Kingdom or the international rule of law.

Stabilisation. Assisting in ending a conflict and promoting the stable political, economic and social development in a (former) area of conflict to serve the interests of the Kingdom and the international rule of law.

Normalisation. Restoring acceptable living conditions after a conflict or a man-made or natural disaster.

operational level may lie in military exercises conducted by NATO and EU member states, together with ISAF partners, with the NATO Response Force and the EU Battle Groups at their core.

The protection of the interests of the Kingdom enshrined in Article 97 also often plays a role in the political decision-making processes regarding the deployment of the armed forces. The counterpiracy operations are a prime example. The same is certainly true for the many ways in which the Defence organisation provides support to the civil authorities in the Netherlands. The increasing intertwining of the national and international security dimensions, and the Dutch interests that may be at stake, in some cases demand the involvement of the armed forces at many levels: international and national, but regional and local too.

Required capabilities

There is no standard formula for military deployment. The many different interests, strategic functions, mission types, specific operational circumstances and risks determine, from the military perspective, which combination of capabilities is required. Experience has shown that today's missions require high-quality assets and highly trained personnel. This holds true for interventions and stabilisation operations and equally for preventive and post-conflict activities in peace operations. After all, the operational and political risks are high, as are the demands which society makes regarding the protection of the population and the prevention of casualties and collateral damage. The intended effects must be achieved with as much precision and accuracy as possible. Awareness of this aspect of operations is reflected in the current composition of the armed forces. In the future, the Netherlands will continue to need strong, high-quality and flexible armed forces which can be deployed at all levels of the spectrum of force and in all strategic functions.

Focus on people

Personnel remain the most important asset of the armed forces. The ability of the armed forces to adapt to changes is largely dependent on the knowledge and expertise of the personnel, both civilian and military, of the Defence organisation. The rapidly changing operational environment demands flexibility and mental resilience. The deployment of military personnel also requires that they receive properly thought-out education and training, as well as undergoing a challenging exercise programme, all tailored to the latest insights.

The government has a special responsibility towards military personnel. After all, in the most extreme scenario, a soldier puts his or her life on the line. That special responsibility obviously includes care for the soldier, the veteran and the home front, but also involves providing good equipment and the right support.

With a view to the future, the Defence organisation is investigating the possibilities for making optimum use of the labour potential in our country, for instance, by making more use of reservists. This would require the cooperation of other government authorities and the commercial sector. We are seeing a similar development in neighbouring countries.

The capabilities that the Defence organisation requires for its operational tasks must be reflected in a realistic salary and modern employee benefits. The consequences of the raising of the retirement age must also be taken into account. Extending the duration of postings for military personnel and more mobility among civilian personnel will improve the effectiveness of the organisation as a whole. As far as the Defence organisation is concerned, these issues will be on the agenda during consultations with unions and employers.

The toolbox of the armed forces

The armed forces have at their disposal a combination of basic and niche capabilities for various types of missions and conflicts — on land, at sea, in the air and, increasingly, in the digital domain. Basic capabilities are capabilities the armed forces cannot do without or which are needed for specific statutory tasks. These capabilities must therefore remain available nationally. Together they form the basic toolbox of the armed forces. Niche capabilities are capabilities which are scarce within NATO or the EU, in the sense that a limited number of member states have them.

Basic capabilities

Basic capabilities should be usable for as many tasks as possible, both at home and abroad, close by or further away. Usability is therefore an important guideline. Combat units, such as frigates, fighter aircraft and infantry units, form the core of the armed forces' basic capabilities. In order to be able to operate effectively, however, they must be supported by other capabilities, such as intelligence, logistics, protection (for instance against IEDs), mobility (for instance helicopters) and command and control (staff, communications equipment, operational IT systems). These components together form the complete basic capability. A frigate or a fighter aircraft cannot function without weapons or navigation equipment, and an infantry unit cannot function without combat service support or communications equipment. Combat units and support units together form an integrated combination of essential operational capabilities which must be adaptable to different national or international contexts.

It must be noted, however, that even if they are a part of a larger national or international cooperative context, basic capabilities must still be able to operate unaided. It is paramount to have well-oriented teams, with tried and tested procedures. Military personnel must be able to work together instinctively in any circumstances. Furthermore, basic capabilities must be able to hold their own in a deteriorating security situation (escalation dominance). These are lessons the armed forces have learned in many past missions.

A quantitative reduction in a specific basic capability does not limit the type of mission that can be undertaken, but it does limit the duration of the deployment. The upshot of this is that the armed forces will only be able to take part in missions for shorter periods of time than was previously possible and that more will have to be left to partners.

Niche capabilities

In addition to basic capabilities, there are capabilities which not all countries have at their disposal. These are high-quality, specialist capabilities which are scarce in an international context. Such niche capabilities are part of the toolboxes of NATO and the EU. Good Allies share the burdens and the risks of missions. The Netherlands is proving that it is a reliable partner by, for instance, maintaining niche capabilities which are only available to a limited extent in other member states, and deploying those capabilities when the need arises. A recent example is the deployment of Patriot units to protect Turkish population centres near the border with Syria. Another example is the deployment of submarines to gather intelligence during counterpiracy operations.

Niche capabilities are more suited to task specialisation and international embedding than basic capabilities. If the Netherlands disposes of a niche capability, the Alliance will be left with less of that capability and our country will have to call on partners who do still have that capability. Of course, international cooperation may be an alternative for the procurement or replacement of a capability. A recent example in this respect is the multinational initiative to pool very large transport aircraft (C-17s) and to have participating countries, including the Netherlands, purchase drawing rights.

5. The assessment framework

The assessment framework for the size and composition of the armed forces is based on international developments, the core tasks of the armed forces and the budgetary constraints. A future-proof and relevant armed forces organisation is one that is sustainable both operationally and financially.

Operational sustainability

In deciding the relevance of capabilities, there are three important aspects to consider. The first is *usability* or *versatility*. The armed forces must be able to achieve the desired effects in diverse circumstances and in various types of missions. The versatility of military capabilities and a sound balance between combat units and support units are paramount in that respect. The second aspect is *adaptability*. The extent to which capabilities can be adapted to rapidly changing circumstances determines the added value of the armed forces. The greater the adaptability, the more extensive the deployment options. The third aspect is *durability*. The extent to which weapon systems will remain usable in the future in changing circumstances determines the degree to which they are future-proof. The armed forces must be innovative and able to respond to new developments and technologies.

Financial sustainability

The structural affordability of the armed forces requires that a balance be struck between ambitions and the financial resources available. That means making choices, for instance with regard to limiting the ability to sustain prolonged operations with specific *basic capabilities* and the maintaining or disposing of *niche capabilities*.

An efficient structuring of the armed forces also results in a smaller footprint. A striking example of this is the concentration of units and the closing and disposal of locations. Efficiency is therefore a guiding principle in the structuring of the armed forces.

Cooperation

Military cooperation is to lead to more efficiency and greater effectiveness. By creating economies of scale with their partners, the armed forces can improve the teeth-to-tail ratio and maintain a sufficient number of basic capabilities. In the area of niche capabilities, cooperation allows us to dispose of certain capabilities which partner countries will maintain. *Remedying shortfalls* is a crucial point that requires attention. NATO and the EU have identified the military shortfalls and the Netherlands aims to remedy them, both independently and in cooperation with our Allies and partners. After all, the Netherlands armed forces cannot exist in isolation. Alignment with the NATO planning process and with NATO and EU initiatives, such as Smart Defence and Pooling & Sharing, is therefore essential.

Existing cooperative relationships will be used as much as possible and enhanced if possible. This applies to cooperation between the Services, our cooperation with

international partners, and most certainly also the cooperation within the Netherlands with our security partners, commercial companies and research institutes.

6. Choices and consequences

The combination of basic and niche capabilities that the Netherlands armed forces currently have at their disposal forms a solid foundation on which to build. In order to maintain an affordable and militarily relevant armed forces organisation in the long term, however, a review is necessary.

General

On the basis of its vast operational experience, and with a view to the uncertain future, the Defence organisation chooses to maintain the diversity of its basic capabilities. This is what will best serve the interest of the Netherlands. Niche capabilities will also be maintained to the greatest possible extent, as they limit specific shortfalls within NATO and the EU. A number of niche capabilities have already been disposed of in the past. The decision has been made to replace our existing fighter aircraft in a way that will prevent budget displacement occurring elsewhere in the armed forces.

In essence, the Defence organisation is electing not to limit the composition of the armed forces' capabilities but rather their ability to sustain prolonged operations. A reduction in the quantity of a specific basic capability does not limit the type of mission that can be undertaken, but it does limit the duration and scope of the deployment. In actual fact, alongside small missions and national tasks, the armed forces are capable of conducting one larger operation at sea, on land and in the air.

In addition, the Defence organisation wishes to make optimum use of the possibilities which international cooperation offers, for instance by integrating units.

Royal Netherlands Air Force

The air force is an indispensable element of the armed forces. Its materiel has been modernised and its capabilities are to an increasing extent embedded internationally. Opting for a smaller number of fighter aircraft will limit the mission sustainability to one large air operation.

The F-16 has unequivocally proven its worth for the armed forces in intervention and stabilisation operations. In the coming decades, we will continue to require fighter aircraft. After comparing the candidates for replacement in 2001 and 2008 and updating the relevant information in 2013, the government has decided, on operational, financial and economic grounds, to select the F-35 as the new fighter aircraft for the Netherlands armed forces.

The F-35 is a well-considered choice for a high-tech, future-oriented air force. From a military operational perspective, the F-35 offers the greatest number of options. It is also the most future-proof option. The aircraft is best able to deal with the proliferation of mobile air defence systems and offers vastly improved observation capabilities, which are of great value in any type of mission. In addition, the aircraft offers great potential for follow-on development, particularly in the area of network-enabled operations. Also

important are the possibilities for international cooperation in areas such as training, sustainment and deployment. Analyses by NATO underpin our decision.

With this decision, which concludes a process of almost fifteen years, we are responding to the Alliance's call for investment in quality and, consequently, in the collective security of the Alliance. The decision also consolidates the opportunities for Dutch industry to gain contracts for high-quality work, both in the production of the F-35 and in the sustainment phase. The cutbacks in defence budgets which many NATO member states, including the Netherlands, are facing demand that we carefully weigh up our options and make astute choices. Above all, opting for a modest number of the best aircraft attests to a sense of reality.

International cooperation is the ideal way to further optimise operational effectiveness. An important step in this respect is the intention of Belgium and the Netherlands to patrol the Benelux airspace together. These Quick Reaction Alert (QRA) and Renegade tasks currently place heavy demands on the pilots and aircraft of the two separate countries. Cooperation will therefore significantly benefit both countries. A treaty will be required in order to be able to carry out these tasks in each other's airspace. In many areas, the introduction of a next-generation fighter aircraft will lead to new insights and applications. The Royal Netherlands Air Force, research institutes and the commercial sector have the innovative potential to play a leading role internationally in this respect. The organisational management of the air force will be structured in such a way as to guarantee optimum operational output at all times. With the introduction of the F-35, the possibilities for pilots to maintain their skills after their operational period will be reduced to a minimum. This is to ensure that the available flying hours are primarily used for operational pilots.

It has been decided that the replacement will be carried out entirely within the previously reserved investment budget of 4.5 billion euros and the current operating budget for the F-16, which amounts to 270 million euros per year. This will prevent budget displacement effects, which sooner or later would be to the detriment of other capabilities. As the cost per unit and the operating costs for the F-35 are not yet definite, there will be a contingency reserve of ten percent for the investments and the operating costs. This can be used to meet any unforeseen rise in estimated costs without any direct consequences for the number of aircraft. Opting to maintain tight financial parameters underscores once more that the Defence organisation is determined to put and keep its finances in order. Based on current insights, the available financial room is sufficient for the purchase of 37 aircraft. The Defence organisation will from now on base its plans on that number and will inform its partners in the F-35 programme accordingly.

If, within the given financial parameters, room is created in the coming years to purchase more aircraft, the Defence organisation will do so. This may be the case if the contingency reserve is not used in full and if the price per unit of the F-35 turns out to be lower than is currently expected. In that case, in addition to the deployment possibilities referred to earlier, the air force would also be able to provide a short-term contribution to a second large-scale operation, as was done recently in Libya. The order system allows the final number of aircraft to be kept within the available budget. Should any unexpected major changes occur in terms of product, time or money which exceed the

margins of the project budget, the project will be reviewed within the defined financial parameters.

Compared with the current fleet of F-16s, the air force will in future be able to deploy fewer F-35s for longer periods of time. In addition to the permanent deployment for the protection of Dutch and Allied airspace, with 37 F-35s the Netherlands will continue to be able to deploy four fighter aircraft, simultaneously and continuously, to support Dutch ground troops as was done in Uruzgan and is still being done in Kunduz. In 2014, the current number of F-16s will be reduced by 7, to 61. This will reduce the investment costs involved in maintaining the F-16 for a longer period of time. The 7 aircraft will be added to the logistic reserve, to improve the deployability of the remaining 61. The deployability goals for the period up to the replacement of the F-16 will be adjusted accordingly. The F-16s and pilots stationed in the Netherlands will be divided into three squadrons.

On the basis of the current estimated timescale, the introduction of the F-35 will begin in 2019. The air force will decommission the last F-16s in the mid-2020s. As noise regulations in the Netherlands do not permit the concentration of all aircraft at one air base, Volkel and Leeuwarden will both remain in operation as the two Dutch fighter air bases. In 2015, however, the status of Leeuwarden will be changed from a Main Operating Base to a Deployed Operating Base. This means that the functionalities of the base will be limited to the necessary minimum. The overheads will be concentrated at Volkel Air Base.

Of course, the air force consists of more than just fighter aircraft. Helicopters are the workhorses of the entire armed forces organisation and for that reason they form a joint capability, centralised in the Defence Helicopter Command. The deployability of the helicopters will be improved in the coming years by increasing the number of flying hours. Extra funds will be made available for that purpose. The demand for helicopters has long greatly exceeded the available capacity. However, in the coming years the Defence organisation will not have the resources to procure more helicopters. In order to achieve a structural balance, it has been decided to limit the demand for the use of helicopters.

Sufficient support with helicopters for land-based and sea-based operations, as well as for Special Forces operations, will continue to be guaranteed in the future. The limitation of demand will be achieved by cancelling the introduction of the ship-to-objective-manoeuvre (STOM) concept, which involves marines being transported from ship to shore by heavy helicopters during amphibious operations.¹ Secondly, it has been decided to adjust the readiness level of the airmobile battalions. Both measures, which serve to balance supply and demand with regard to helicopters, will not be without consequences for the other Services. This will be discussed in the sections on the navy and the army.

The air transport capability of the armed forces also comprises C-130 and DC-10 aircraft. Together with the transport aircraft of Belgium, France and Germany, they form part of a pool under the European Air Transport Command (EATC), which coordinates their

¹ Ship To Objective Manoeuvre (STOM) air, using Chinook transport helicopters.

deployment from Eindhoven. The capability of the Netherlands, however, is too limited to be able to continue to operate independently. The Defence organisation's aim is therefore for full international integration of its air transport capability by 2020 in order to create the economies of scale necessary in the long term for efficient operations.

The Gulfstream aircraft, generally referred to as non-operational transport, will be sold as soon as possible, and as of 2014 it will no longer be part of the air force fleet.

From 2017, the air control tasks of the Air Operations Control Station (AOCS) will be carried out from the location of Air Traffic Control the Netherlands at Schiphol Airport. The tactical control tasks of the AOCS will be moved to a yet to be determined location. As a result, the Nieuw-Milligen location can be closed in 2018. Only the radar will be maintained at Nieuw-Milligen.

Royal Netherlands Navy

The direction in which the Royal Netherlands Navy has been developing since the Navy Study 2005 will remain unchanged. Important elements include the integration of fleet units and marines, operations closer to land and the introduction of patrol vessels.

As discussed earlier, the limitation of the demand for helicopters will result in the cancellation of the introduction of the ship-to-objective-manoeuve (STOM) concept. Of course, it will still be possible to carry out fast landings with boats, and the marines will continue to operate from the two Landing Platform Docks (LPDs) with shipboard NH-90 helicopters.

The STOM concept was one of the three pillars of the design of the Joint Supply Ship (JSS), which with its overall length of almost 205 metres is the largest ship in the navy. The second pillar, the transport of heavy weapon systems, had already been all but eliminated due to the earlier decision to dispose of all the main battle tanks. The third pillar of the JSS design, the replenishment of ships at sea, requires no more than a tanker. Internationally, both the amphibious role of heavy helicopters and the transport of heavy materiel are considered to be niche capabilities. Replenishment at sea, on the other hand, is an indispensable part of the maritime basic capabilities. It has been decided that the JSS will not be commissioned in 2015 but will be disposed of as soon as it has been completed. Instead of the JSS, a more basic and less expensive supply ship will be procured.

The two Landing Platform Docks with embarked marines form the core of our sea-based maritime combat power. Amphibious operations in which fleet and marines are integrated are generally conducted by the UK/NL Amphibious Force. The Netherlands Maritime Force (NLMARFOR) is an integrated, modular, deployable staff which directs the integrated operations of fleet units and marines during both the readiness phase and the actual deployment.

No further changes will be made to the surface fleet of the navy. The Air Defence and Command (ADC) frigates are among the most modern in the world. With their Smart-L radar, they also have an important niche capability at their disposal, which, after the

scheduled modernisation, will be of great value to the Allied defence against ballistic missiles. Operations for longer periods of time with two separate ships will continue to be possible, as will a short operation with a maritime task group of five ships and marines. The modern Ocean-going Patrol Vessels (OPVs) are ideally suited to tasks such as those in the Caribbean and off the coast of Somalia.

Due to their specific characteristics, the Walrus-class submarines will continue to be a relevant niche capability for NATO and the EU. They are able to operate close to the coast without being detected, for instance in order to gather intelligence or enforce an arms embargo. Moreover, they are highly suitable as a platform for special operations. The Defence organisation will only be able to afford to replace the submarines, expected in the mid-2020s, if the new submarines are developed, built and operated together with one or more partner countries.

The Belgian-Netherlands maritime cooperation (Benesam) was given a boost when Belgium bought two Multi-purpose (M-class) frigates from the Netherlands. In addition to its minehunters, the Belgian navy now has warships that are suitable for anti-submarine operations, among other things. By delaying the replacement of the two Dutch M-class frigates by three years, the plans of both countries have been synchronised. The replacement of the six Dutch minehunters will also be delayed.

The construction of a new marine barracks in Vlissingen will allow the Defence organisation to focus on fewer locations and to limit its footprint on public space. For that reason, after the completion of the barracks in Vlissingen, the Van Ghent Barracks in Rotterdam will be closed and disposed of. The Joost Dourlein Barracks on the island of Texel will be closed in 2015 and all facilities will be transferred to the naval base in Den Helder. The area will, however, remain in use as an exercise area.

In the Caribbean, the permanent presence of marines on Aruba will also be brought to an end. Positive experiences have been gained with rotating units on Curaçao, which also carries lower costs. Rotating units are to become the norm. The 32nd Marine Company on Aruba will be disbanded in 2015. There will be no changes to the tasks of the armed forces in the Caribbean.

Royal Netherlands Army

The army will continue to develop into a versatile, modular organisation. Units will be tailor-made for each mission, with command-and-control capabilities for network-enabled operations in national and international contexts. A large part of the army consists of scarce support units which work for all the operational commands. They include units for nuclear, biological and chemical (NBC) protection and decontamination; for intelligence-gathering, observation and reconnaissance; for explosive ordnance disposal and for logistics. The choices made regarding the army will limit the ability of our combat units to sustain prolonged military missions.

For the army, the decision to balance the demand for transport helicopters with the available capabilities has consequences for the readiness levels of the three battalions that are part of the airmobile brigade. In future, two of the three battalions will

simultaneously be trained fully using helicopters. The third battalion will receive basic training for air assault operations (up to and including company level) and can receive additional training in time for any prolonged deployment of airmobile capabilities. From 2014, this third battalion will be equipped with Bushmaster vehicles and will therefore also be trained for motorised operations. This will increase the deployment options of the army and further improve the operational concept of the airmobile brigade. The airmobile brigade will continue to be an important initial-entry capability for the army, also when operating in combination with the Commando Corps. Our cooperation with the German army will be further enhanced by integrating the airmobile brigade with the *Division Schnelle Kräfte*. This brings a new dimension to the integrated operations of the two armies.

One-off deployment of a brigade with several battalions will continue to be possible in the future. This is important for Allied operations in various scenarios. The three brigade headquarters in Havelte, Oirschot and Schaarsbergen will also be able to integrate individual modules into a national battalion task force (such as Task Force Uruzgan) as well as in an international context (such as a NATO Response Force or an EU Battle Group). In addition, all three are headquarters which can be deployed independently at great distance from the Netherlands. In the Netherlands, the brigade headquarters play an important role as regional military commands in the context of national, regional and local civil-military cooperation. The German-Netherlands Corps headquarters in Münster is developing further into a rapidly deployable joint headquarters, capable of directing combined land-based and air-based operations. In doing so, this headquarters is at the forefront of NATO and is serving as the driving force of German-Netherlands cooperation.

The 45th Armoured Infantry Battalion in Ermelo will be disbanded in 2014. That reduces the number of infantry units in the armed forces from nine to eight (six army and two marine battalions). With four rotating battalions, the deployment of a battalion task force comprising more than 1,000 military personnel (as in Uruzgan) will continue to be possible. The capabilities of the other four battalions can then be used to simultaneously conduct a short mission with a battalion task force, or smaller-scale but longer operations in several locations. These capabilities will also be used to fill the rotation schedule for the Caribbean.

From now on, the army will have three mechanised and three airmobile battalions, one of which will also be equipped for motorised operations. Mechanised battalions are built around the modern CV90 tracked combat vehicle. Motorised battalions are built around the Bushmaster wheeled vehicle and the open-top Mercedes Benz 280CDI. These are vehicles which have proven their operational worth in various missions. With these adjustments, the units will become more widely deployable.

Our operational ground-based logistic capability, our tactical intelligence and security capability and our command-and-control support will be restructured and redimensioned in 2014, further improving the deployability of our remaining capabilities. The army's basic capabilities will be reduced in size, but the composition of these capabilities will be balanced.

The adjustments to the organisation of the airmobile brigade as well as the disbanding of an armoured infantry battalion will allow the army, too, to focus on fewer locations. As a result, the Johan Willem Friso Barracks in Assen will be closed and disposed of in 2017.

Royal Netherlands Marechaussee

The tasks of the Royal Netherlands Marechaussee will remain unchanged, but the way in which those tasks are carried out will be adjusted. The territorial division of capabilities will no longer be a dominant factor. Instead, from 2015, a mobile and flexible approach will be adopted, based on information-driven operations. Due to the measures being taken regarding the operational commands and a further reduction of the number of locations, there will be fewer military police tasks. This involves a total of more than 100 FTEs.

7. Investment in the future

The structure and size of the armed forces determine the deployment possibilities and therefore also the political room for manoeuvre. Above all, the future will require an alert, proactive attitude and an open mind in a rapidly changing world. That, in turn, requires an adequate volume of investment. Personnel are the most important asset of the Defence organisation.

Volume of investment

For some time now, an *investment quota* of 20 percent has been used as a guideline. This will remain unchanged. An adequate volume of investment is important in order to have a future-proof and relevant armed forces organisation. Operationally, the Defence organisation will develop further in the coming years by improving operational sustainability and by engaging in more cooperation.

Personnel

Personnel remain the most important capability of the armed forces. The rapidly changing environment calls for flexibility and mental resilience on their part. The high physical and mental demands placed on military personnel create special employer obligations which apply to the selection, development and training of personnel, as well as a safe working environment and care during deployments. This care must be aimed not only at soldiers and veterans but also at their home front. Due to the special nature of the job, the personnel policy of the Defence organisation focuses a great deal of attention on its military personnel, but this by no means detracts from the importance of its civilian personnel. The human resources policy for the future rests on four pillars:

Adaptability

More than ever, the Defence organisation is to become a throughflow organisation consisting of a core of personnel who work for the Defence organisation their entire careers and a flexible layer of temporary personnel. Reservists are to be given a more prominent place in the organisation.

Cooperation

The Defence organisation is to enhance its cooperation with social partners in the area of personnel. Internationally, we will seek more cooperation in the area of training. Combined training serves as a catalyst for further international cooperation.

Staffing

The Defence organisation aims to occupy a solid and attractive position on the job market. In structuring the organisation, the possibilities and limitations of future staffing levels will be explicitly taken into account. The chain of recruitment, selection and appointment will be further streamlined to prevent candidates

leaving the selection process prematurely. The management of the throughflow and outflow of personnel will also be improved.

Affordability

The Defence organisation will continue to focus on the scope and composition of the ranks and pay scales in the workforce, in order to provide career prospects and have direct control over personnel costs.

These pillars are underpinned by modern employee benefits. In this respect, the policy of the Defence organisation will tie in as much as possible with the government-wide human resources policy.

Strengthening operational sustainability

Information-driven operations, i.e. the ability to conduct targeted operations by making optimum use of available information, will continue to rapidly increase in importance. An excellent system of intelligence gathering, intelligence processing and command and control is therefore paramount. Such operations require the further professionalisation of the intelligence and security field and the enhancement of intelligence and security networks. A shift in focus from the acquisition of information (the sensors) to the processing of information (the analysis) will benefit situational awareness and the effectiveness of deployments. Good command-and-control and information systems are a prerequisite for the planning and directing of deployments.

The Defence Intelligence and Security Service and the General Intelligence and Security Service are working together more and more frequently and closely. Examples of that cooperation are the formation of combined teams and the establishment of a combined unit for Signals Intelligence (SIGINT) and cyber activities. This will be intensified further. After all, in the cyber domain, developments are taking place in quick succession and the armed forces must respond accordingly. The establishment of the Joint Cyber Command, part of the Royal Netherlands Army, is to be accelerated — to protect our own systems better but also to develop the necessary offensive capability. The response also includes the strengthening of the Defence Computer Emergency Response Team (DefCERT) under the Information and Technology Services Agency Group (IVENT) and the enhancement of the cyber intelligence capability of the Defence Intelligence and Security Service. Internal and external security are completely intertwined in the cyber domain, and this calls for interdepartmental and public-private governance. The national Cyber Security Strategy provides for such governance and enables a quick and effective response in the event of cyber attacks. The acceleration of developments in the cyber domain is being given shape in cooperation with the Ministry of Justice & Security, other government authorities and private parties.

Unmanned systems, including reconnaissance systems, are increasingly an important factor. The functionalities of unmanned systems, which may or may not be combined with robotics, will be developed further, allowing these systems to be deployed more widely, including for difficult, dangerous and monotonous tasks. The Defence organisation already uses various unmanned aerial vehicles (UAVs) and will introduce the

medium-altitude long-endurance (MALE) UAV, with international embedding as the guiding principle. In other domains as well, unmanned systems are likely to be introduced before long. Examples are unmanned demining or unmanned sensors used to monitor large areas of land or sea.

We aim to consolidate the *development of 3-D capabilities (Defence, Diplomacy, Development)* as well as integrated action during the planning and execution of operations. The German-Netherlands Corps in Münster will function as a catalyst for this. Within NATO and the EU, the Netherlands will be able to take a leading role in this area.

Limiting our logistic requirement (logistic footprint) will result in units being less dependent on often vulnerable supply lines. In this area, too, cooperation with international and civilian partners is increasing. Examples are the further development of our operational energy strategy and the implementation of innovative concepts, with a greater role for commercial parties, as well as 'remote maintenance' and the use of options for logistic support on location.

Further cooperation

The armed forces are ready to intensify cooperation and to integrate capabilities, assets and units. The armed forces will be given a more modular structure in order to increase the usability of units and allow for the creation of tailor-made units for specific missions. As emphasised earlier, the balance between combat units and support units is an important guiding principle. A modular armed forces organisation places demands on the process of system integration. The operational capabilities of the armed forces must be able to operate as integrated units within other, larger contexts — both civilian and military, and both national and international. This requires a large degree of interoperability, not only in terms of materiel but also in terms of doctrine and the readiness process (i.e. preparation for deployment).

Joint operations, i.e. the ability to have several Services and their units operate collectively, are to be enhanced. The Defence organisation already has several fully integrated units, such as fire support units and Patriot units. The joint direction of all Dutch Special Operations units of the Marine Corps and the Commando Corps is in tune with the desire to be able to link up easily with international command, control and communication structures during deployments. Integrated deployment, training and education will be the norm in the coming years, and the same will be true for our support processes, such as materiel procurement and doctrine development.

Cooperation with our security partners in the Netherlands will also be enhanced in the coming years, especially with the civil authorities and the newly established national police organisation. The enhancement of civil-military cooperation includes a simpler process for requesting and deploying military assets under civil command. Besides the guaranteed capabilities which the civil authorities may call upon, the armed forces continue to be the designated security organisation in extraordinary circumstances to quickly create more capacity and to provide support to the emergency services with manpower and specialist capabilities. Examples of such circumstances are disasters and other incidents, such as flooding, major fires or terrorist attacks, but also the

preparations for and execution of large events, such as the Nuclear Security Summit in 2014.

Technology is developing very rapidly. The Defence organisation must therefore be alert and able to respond quickly to innovations. This is the goal of our knowledge and innovation policy, which has its foundation in cooperation with *the commercial sector and research institutes*. The introduction of a process of concept development and experimentation (CD&E) will guarantee that the focus is permanently on innovation and lay the foundations for the follow-on development of innovative concepts into usable capabilities. Experiences in other countries have shown that this allows the combining of technological possibilities and operational requirements at an early stage and on a relatively small scale. Targeted development then becomes a possibility. The Royal Netherlands Army in particular will be permanently embedding CD&E in the coming years.

Deployability

From 2014, the armed forces will be deployable for:

1. The defence of Dutch and Allied territory, including the Caribbean parts of the Kingdom, with all available means as required. This task is carried out in an Allied context. NATO may therefore call upon the Netherlands for assistance.
2. Participation in operations anywhere in the world to promote international stability and the rule of law, to provide emergency assistance during disasters and humanitarian crises, and to protect the interests of the Kingdom. These operations are generally carried out in an international context, with contributions from several partners being integrated into composite units. In that respect, the armed forces will be able to provide the following contributions:
 - On land: a one-off composite task force of brigade size, or a composite task force of battalion size for a longer duration. In addition to the prolonged deployment of a battalion task force, a second battalion task force may be deployed for a short mission, as well as smaller contributions for longer periods of time (including the presence in the Caribbean).
 - Sea-based: a one-off deployment of a maritime task force of five ships or prolonged deployments of two separate ships, with integrated operations by fleet and marines.
 - In the air: until the replacement of the F-16, scheduled for 2023, a one-off deployment of eight fighter aircraft or a prolonged deployment of four fighter aircraft. After the replacement of the F-16, a one-off or longer deployment of four fighter aircraft. Helicopters support the operations on land and at sea.
 - Special operations: prolonged company-size participation in a Special Forces joint task force.
 - Cyber operations: defensive and offensive cyber tasks, as well as intelligence gathering.
 - Niche capabilities (in addition to Special Forces and our offensive cyber capability): submarines, the German-Netherlands Army Corps headquarters, air transport, air-to-air refuelling, Patriot missile defence systems and the Civil-Military Interaction Command.

All these forms of deployment include support units — both combat support and combat service support. For combat service support in particular, our international partners can be called upon for assistance. Conversely, our armed forces may also provide support to international partners. The deployment of separate modules of support capabilities is also an option.

3. Contribution to national security under civilian command. In this context, the armed forces provide the contributions which are laid down in legal and interdepartmental agreements. This involves:
 - Carrying out ongoing national tasks, such as the police tasks of the Royal Netherlands Marechaussee, the protection of Dutch airspace with fighter aircraft, the coordination of and contribution to the Netherlands Coastguard, as well as hydrographic tasks.
 - Being able to act in response to digital threats and attacks together with security partners (cyber capabilities).
 - Providing military support in enforcing the rule of law, public order and security, in particular using the capabilities guaranteed in the civil-military cooperation (ICMS) catalogue.
 - Military assistance in countering terrorism and responding to disasters and crises, if necessary with all available units.
4. A permanent military presence in the Caribbean, both for defence (see item 1) and to support the local and regional authorities (see item 3, in particular Coastguard support, regional counterdrug operations, Marechaussee police tasks and suppressing unrest). The permanent presence consists of two rotating companies of the Royal Netherlands Navy or the Royal Netherlands Army, a boat platoon, a large surface vessel, a support ship and a Marechaussee brigade. If the situation requires it, the military presence in the Caribbean can be increased. This would, however, come at the expense of other deployment possibilities.

8. Financial aspects

Conformity with the defence budget

The conformity with the budget of the measures to be taken is based on the templates created for the 27 largest weapon systems. Budget conformity assumes that there are no budget displacement effects, and this has been taken into account in the measures. The measures are aimed at resolving a total budget shortfall of € 348 million. The projected results up to and including 2018 are shown below.

<u>Paper budget overview</u>	2013	2014	2015	2016	2017	2018
TOTAL BUDGET (M€)	7,789	7,602	7,462	7,491	7,489	7,440
DEPLOYMENT	240	6	2	2	2	2
ALL-SERVICES	3,387	3,458	3,211	3,161	3,108	3,066
ORGANIC UNITS	2,140	1,929	1,922	1,872	1,860	1,849
WEAPON SYSTEMS	2,021	2,208	2,326	2,456	2,518	2,523
<i>of which F-16</i>	<i>269</i>	<i>262</i>	<i>310</i>	<i>301</i>	<i>225</i>	<i>202</i>
<i>of which for F-16 replacement</i>	<i>113</i>	<i>46</i>	<i>64</i>	<i>113</i>	<i>343</i>	<i>517</i>

From now on, investment items in the defence budget will include an end-of-year margin without limitations. This makes it easier to transfer investments from one year to another if the situation calls for it, without this coming at the cost of the investment budget of the armed forces.

Long-term budget conformity

The overview given above is a snapshot of the budget at the time of writing. Insight into the total expenditure per weapon system — i.e. investments, relevant running costs and revenue from disposal — is to be built up throughout the entire lifespan of the weapons system in question. For this reason, the planning horizon will be moved from ten years to fifteen years. In the coming years, the system of life-cycle costs will be given a permanent place in our planning and budgeting process, and therefore in our organisational management.

The budget and administration are still organisation-oriented. The required adjustments are therefore considerable. Moreover, caution and precision are required due to the concurrence with other major processes. In the letter of 14 February 2013 entitled 'Management in the Defence Organisation', our ambitions with regard to management were reviewed and it was confirmed that the reorganisation, the introduction of Enterprise Resource Planning (ERP) and the activities aimed at putting the management and the armed forces in order will be completed in that order of priority. All these processes are linked and are aimed at improving the way in which the organisation is directed and managed. The goal is to present the first outlines of the insight per weapon system in the 2015 draft budget.