

NORDIC DEFENCE & CYBERSECURITY NEWSLETTER



Danish Ministry of Defence Expected to Adjust Barracks Tender Following Market Withdrawals

The Danish Ministry of Defence is preparing one of the largest infrastructure projects under the current Defence Agreement: the construction of several new barracks across Denmark through a Public-Private Partnership (PPP) (in Danish: “*Offentligt-Privat Partnerskab*”) model.

The project, valued at billions of DKK, has attracted significant interest from pension funds and contractors. Recent developments, however, show that some investors have withdrawn from the process, citing unbalanced risk allocation and stringent contractual requirements.

In response, the Ministry has indicated that it may adjust the tender conditions to secure sufficient competition.





Background

In August, the Ministry of Defence confirmed that four consortia have been prequalified for the PPP barracks housing project: PensionDanmark Ejendomme Holding, Team AP, Team Sampension, and A. Enggaard A/S.

Under the PPP model, the private contractor will not only be responsible for constructing the facilities but also for operating and maintaining them over a long-term contract period - typically 20 to 30 years. The Ministry pays for the service over time, and at the end of the contract period, the buildings are transferred to the Ministry at a pre-agreed price and in a pre-agreed condition.

This model allows the Ministry to focus on functional requirements rather than prescribing detailed technical solutions, giving contractors greater flexibility to leverage their experience and deliver innovative, cost-effective solutions that meet military needs.



Market Outlook

The barracks programme is not just a construction project, but a strategically important initiative designed to support Denmark's expanded conscription and growing operational requirements. The Ministry's willingness to adjust tender terms is a clear acknowledgement that risk allocation must be commercially viable if strong bids are to be secured. Even with more balanced requirements, participants will still face demanding conditions. Security clearances, supply chain transparency, and ESG obligations such as CO₂ reduction and life cycle assessments will remain central.



Our Comments

The barracks programme shows that the Ministry of Defence is willing to listen to market input and adjust tender conditions to secure competition. While the prequalification for this project is complete, the Defence Agreement foresees additional infrastructure investments in the coming years - meaning there will likely be further opportunities for private participation under PPP models.

Companies that invest now in strengthening compliance frameworks, mapping ESG data, securing security clearances, and developing scalable delivery models will be better positioned when the next wave of defence infrastructure tenders is launched. In our view, treating compliance and governance as strategic assets - not just project-specific requirements - will be a key differentiator in the years ahead.

Contacts



Thomas Mygind

Partner

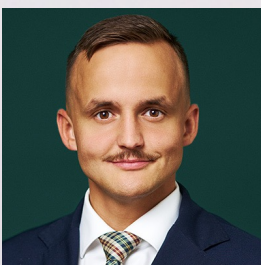
thomas.mygind@moalemweitemeyer.com



Jacob Kreutzmann

Associate

jacob.kreutzmann@moalemweitemeyer.com



Kevin Lerbech Formann
Kristensen

Associate

kevin.kristensen@moalemweitemeyer.com