

**N A T O**

**SECURITY INVESTMENT PROGRAMME**

**FINANCIAL ACTIVITY**

**AS AT 31 DECEMBER 2019**

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## PART I – Annual NSIP Financial Activity

### 1. Annual Financial Activity

1.1. Annual Financial Activity Summary (in KEUR): This table represents an overview of the financial activity of NSIP during the year ending 31 December 2019 and 31 December 2018 with details provided in the following pages as applicable.

Description of Annual Activity	2019	2018
<b>Programming:</b>		
Council	105,564	1,839,439
Investment Committee (delegated authority)	333,381	282,685
<b>TOTAL PROGRAMMING</b>	438,945	2,122,124
<b>Authorisations:</b>		
Physical Scope	(1,102,035)	832,322
Net Authorised Scope	2,120,865	1,025,500
Net Authorised Fund	1,101,673	1,054,437
<b>Financial Implementation:</b>		
Approved Forecasts of Expenditure	611,193	745,355
Expenditure	(556,898)	(654,164)
Excess Forecasts	54,295	91,191
MTRP Input for Approved Programme	999,430	1,146,571
<u>Expenditure Rates:</u>		
Approved Expenditure / Forecasts	91%	88%
Approved Expenditure / MTRP Approved Programme only	56%	57%
<b>Contributions:</b>		
Approved Ceiling	700,000	700,000
Approved Forecasts of Expenditure	611,193	745,355
Q3 & Q4 of Prior Year - Excess Forecasts	(35,552)	(27,893)
Q1 & Q2 of Current Year - Excess Forecasts	(53,381)	(55,638)
Amount of contribution called	522,260	661,824
Amount of contribution not called	177,740	38,176
<b>Financially Completed Projects</b>		
<b>Discharge to Host Nations</b>		
Number of Projects Completed	168	117
Financial Value	409,543	288,425

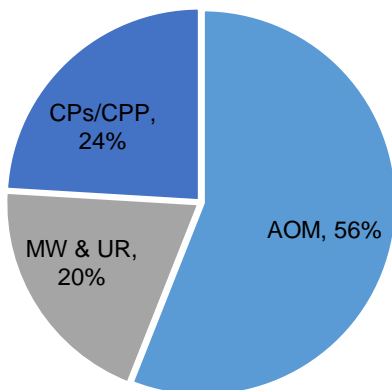
### 1.2. Annual Programming by Programming Type (in KEUR)

Programming Type	2019	2018
<b>Programmed by the NAC (Capability Program Plans &amp; Capability Packages)</b>		
CP 9C0122 - CIS Security - Cryptographic Services	104,325	
* CP 9C0102 - Service Management & Control (SM&C) Services for NATO C2	0	
** CPP - Accession to NATO of the Republic of North Macedonia	1,239	
<b>Sub-total</b>	105,564	1,839,439
<b>Programmed by the IC (Delegated Authority)</b>	<b>Year-to-date</b>	
Alliance Operations and Missions	245,748	224,418
Minor Works and Urgent Requirements	87,632	58,267
<b>Sub-total</b>	333,381	282,685
<b>Total</b>	<b>438,945</b>	<b>2,122,124</b>

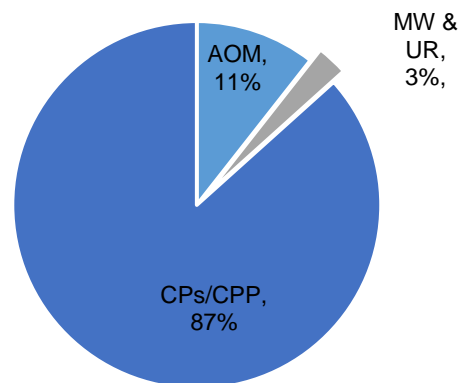
\* the Resource Policy & Planning Board (RPPB) decided that the capability is NCIA organic therefore should be Customer Funded, the NSIP part should be deprogrammed.

\*\* As per C-M(2019)0027 (INV).

Programming 2019: MEUR 439



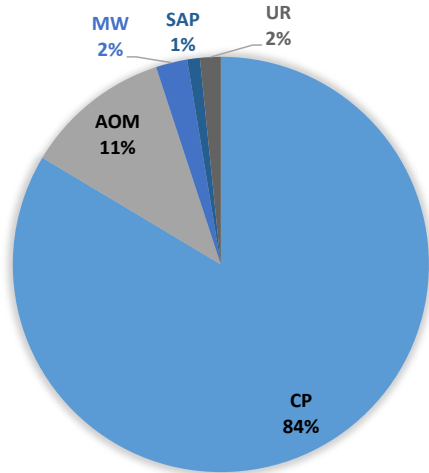
Programming 2018: MEUR 2,122



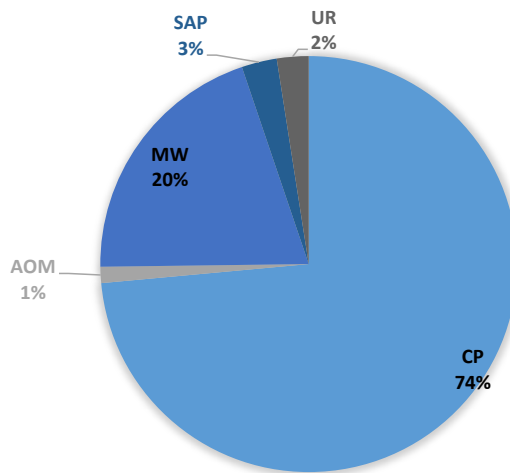
1.3. Annual Authorisations (Authorised Scope) by Programming Type (in KEUR)

<b>Authorised Scope</b>	<b>2019</b>	<b>2018</b>
Capability Packages (CP) Projects	1,805,925	824,785
Stand Alone Projects (SAP)	21,129	14,103
AOM Projects	245,748	224,418
UR Projects	34,866	30,695
MW Projects	52,766	27,572
<b>Total</b>	<b>2,160,434</b>	<b>1,121,573</b>
Deauthorised Scope	(39,569)	(96,072)
<b>Net Authorised Scope</b>	<b>2,120,865</b>	<b>1,025,500</b>

AUTHORISATIONS 2019: MEUR 2,160

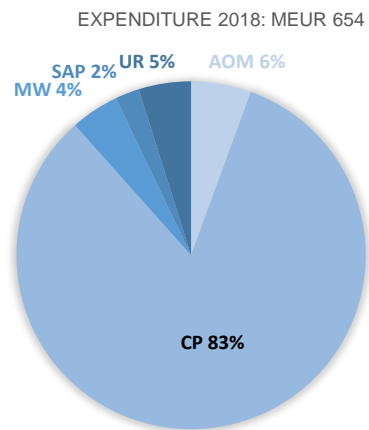
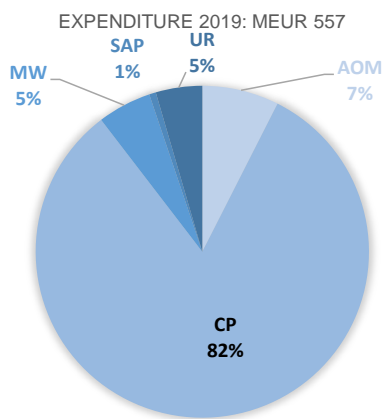


AUTHORISATIONS 2018: MEUR 1,122



1.4. Annual Expenditures by Programming Type (in KEUR)

Expenditure	2019	2018
Capability Packages (CP) Projects	457,510	542,080
Stand Alone Projects (SAP)	3,611	14,559
AOM Projects	41,533	36,403
MW Projects	29,133	29,424
UR Projects	25,110	31,698
<b>Total</b>	<b>556,898</b>	<b>654,164</b>



1.5. Virtually Completed Projects Compared to Annual COFFAs (in KEUR)

Years	Expenditure on Virtually Completed projects (as at 1st Jan. )	COFFAs noted during the year	Ratios
2010	8,061,149	616,011	7.64%
2011	8,431,304	813,140	9.64%
2012	8,497,266	825,947	9.72%
2013	8,164,282	896,614	10.98%
2014	7,878,111	1,115,455	14.16%
2015	7,106,517	1,205,921	16.97%
2016	6,745,535	1,392,193	20.64%
2017	5,920,660	1,205,987	20.37%
2018	5,719,746	288,425	5.04%
2019	5,167,324	409,543	7.93%

1.6. Lump Sum Conversions (in KEUR)

Host nation	Amount	Approval Date	Reference
Denmark	7,227	19/02 & 26/04/2019	AC/4-DS(2019)0005 & 0011
United Kingdom	4,535	15/10/2019	AC/4-DS(2019)0025
United States	1,784	26/04/2019	AC/4-DS(2019)0011
NSPA	116,018	02/04/2019	AC/4-DS(2019)0009
<b>Total 2019</b>	<b>129,565</b>		
Total 2018	28,528		

## 2. Annual Financial Activity by Host Nation

### 2.1. Annual Programming and Authorisations (Scope) by Host Nation (in KEUR)

Host Nation	2019 Programming	2019 Authorisation	2018 Programming	2018 Authorisation
ACT	997	997	0	1,345
Albania	0	0	41,318	0
Belgium	2,763	35,442	41,488	(1,356)
Bulgaria	0	3,787	30,194	9,431
Canada	0	269	0	0
Croatia	0	0	0	215
Czech Republic	0	1,667	4,505	1,638
Denmark	1,289	1,544	41,687	895
Estonia	0	1,031	13,086	23,665
France	0	4,214	30,362	(24,033)
Germany	19,018	37,893	86,612	74,025
Greece	5,715	28,582	140,886	13,377
Hungary	0	22	29,860	29,758
Iceland	0	41	9,668	1,467
Italy	20,364	54,378	163,477	15,092
Latvia	0	1,265	13,433	2,456
Lithuania	0	2,644	25,946	0
Luxemburg	0	0	0	0
Montenegro	0	0	0	0
NADGE*	0	0	0	0
NCI Agency	158,969	1,318,144	152,618	245,240
Netherlands	4,912	15,056	26,794	(421)
Norway	2,232	32,765	53,000	21,467
NSP Agency	188,293	241,201	228,720	326,615
Poland	2,680	17,836	76,787	104,250
Portugal	2,999	1,687	21,604	1,630
Romania	0	5,355	63,362	43,696
SHAPE	2,873	(2,467)	1,403	3,527
Slovakia	0	0	12,365	0
Slovenia	0	(146)	30,904	834
Spain	0	580	38,664	9,881
Turkey	10,023	48,695	616,178	11,737
United Kingdom	590	1,431	122,933	56,876
United States	15,228	266,949	4,270	52,195
<b>Total 2019</b>	<b>438,945</b>	<b>2,120,865</b>	<b>2,122,124</b>	<b>1,025,500</b>

\* NATO Air Defence Ground Environment



## 2.2. Annual Financial Implementation by Host Nation (in KEUR)

Host Nation	MTRP Input for Approved Programme Only (a)	2019 Approved Forecasts (b)	2019 Expenditure (c)	Excess/ (Shortfall) to Forecast Input = (a) - (c)	Expenditure vs. MTRP = (c) / (a)	Excess/ (Shortfall) to Approved Forecasts = (b) - (c)	Expenditure vs. Approved Forecasts = (c) / (b)
ACT	2,670	3,128	3,128	(458)	117%	0	100%
Albania	5,539	16	15	5,524	0%	0	98%
Belgium	15,379	15,372	18,145	(2,765)	118%	(2,772)	118%
Bulgaria	12,737	2,414	2,414	10,323	19%	0	100%
Canada	1,600	269	269	1,331	17%	0	100%
Croatia	4,389	2,751	2,612	1,777	60%	139	95%
Czech Republic	156	1,538	1,434	(1,277)	917%	104	93%
Denmark	870	34	300	570	35%	(266)	879%
Estonia	23,722	20,808	19,096	4,626	80%	1,712	92%
France	0	4,214	4,103	(4,103)	1367771%	111	97%
Germany	32,631	9,274	9,113	23,518	28%	161	98%
Greece	20,064	6,890	5,550	14,514	28%	1,340	81%
Hungary	16,066	1,824	2,036	14,030	13%	(212)	112%
Iceland	9,510	11,029	10,363	(853)	109%	666	94%
Italy	30,075	15,796	5,795	24,279	19%	10,000	37%
Latvia	23,000	2,156	1,957	21,043	9%	198	91%
Lithuania	14,460	912	804	13,656	6%	109	88%
Luxemburg	0	0	0	0	N/A	0	N/A
Montenegro	0	0	0	0	N/A	0	N/A
NADGE	0	0	0	0	N/A	0	N/A
NCI Agency	311,719	260,348	242,432	69,287	78%	17,917	93%
Netherlands	10,623	11,269	13,195	(2,572)	124%	(1,926)	117%
Norway	10,437	3,650	4,115	6,322	39%	(465)	113%
NSP Agency	153,029	55,138	61,376	91,653	40%	(6,238)	111%
Poland	26,005	15,550	13,855	12,150	53%	1,696	89%
Portugal	10,495	7,321	6,108	4,387	58%	1,212	83%
Romania	20,009	10,059	9,749	10,260	49%	310	97%
SHAPE	0	418	2,906	(2,906)	0%	(2,488)	695%
Slovakia	3,205	47	47	3,159	1%	0	100%
Slovenia	3,169	3,422	2,206	962	70%	1,216	64%
Spain	16,867	1,330	461	16,406	3%	869	35%
Turkey	51,859	5,149	5,685	46,174	11%	(536)	110%
United Kingdom	22,306	106,050	75,257	(52,951)	337%	30,793	71%
United States	65,584	33,014	32,369	33,215	49%	644	98%
<b>Subtotal 2019</b>	<b>918,176</b>	<b>611,193</b>	<b>556,898</b>	<b>361,278</b>	<b>61%</b>	<b>54,295</b>	<b>91%</b>
5A0051A05	33,126	0	0	33,126	0%	0	0%
0A0149R01	19,559	0	0	19,559	0%	0	0%
9A0995	28,569	0	0	28,569	0%	0	0%
<b>Total 2019</b>	<b>999,430</b>	<b>611,193</b>	<b>556,898</b>	<b>442,532</b>	<b>56%</b>	<b>54,295</b>	<b>91%</b>
Total 2018	1,146,571	745,355	654,164	492,407	57%	91,191	88%

5A0051A05 Provide and Maintain Modified Munitions  
0A0149R01 - NATO Deployable C2 Assets  
9A0995 Bulk Fuel Assets for NATO Airfields

With the 4<sup>th</sup> Call for contribution 2019 (AC/4(PP)D/28072 (INV)) the 2019 Approved Forecasts was presented at EUR 611,193 (with a 4<sup>th</sup> quarter at EUR 205,387). Further to a rounding issue in CIRIS, the 4<sup>th</sup> Call 2019 was recalculated and a COR1 was issued in 2020, the figures displayed in the table are the corrected ones.

### 2.3. Annual Contributions by Host Nation (in KEUR)

Host Nation	2019 Received	2019 Paid	2019 Net Rec./(Paid)	2018 Received	2018 Paid	2018 Net Rec./(Paid)
ACT	3,235	0	3,235	2,577	0	2,577
Albania	16	321	(305)	(0)	401	(401)
Belgium	18,104	12,113	5,991	9,199	15,805	(6,606)
Bulgaria	2,414	1,741	673	1,661	2,085	(424)
Canada	269	30,290	(30,020)	0	38,704	(38,704)
Croatia	2,551	1,121	1,429	1,315	1,403	(88)
Czech Republic	1,538	4,991	(3,453)	1,116	6,282	(5,166)
Denmark	1,513	7,874	(6,362)	919	10,355	(9,436)
Estonia	18,976	566	18,410	6,106	677	5,430
France	4,214	52,002	(47,787)	(23)	59,488	(59,510)
Germany	8,070	82,285	(74,215)	41,579	106,311	(64,732)
Greece	6,407	5,605	801	12,132	7,145	4,987
Hungary	2,062	3,669	(1,607)	30,860	4,626	26,233
Iceland	13,681	196	13,485	5,697	247	5,450
Italy	3,959	43,802	(39,843)	23,307	56,354	(33,047)
Latvia	1,939	757	1,182	2,793	911	1,882
Lithuania	(559)	1,158	(1,718)	1,581	1,392	189
Luxemburg	0	775	(775)	0	992	(992)
Montenegro	0	39	(39)	0	40	(40)
NADGE	0	0	0	0	0	0
NCI Agency	236,755	0	236,755	260,823	0	260,823
Netherlands	13,998	17,468	(3,470)	13,350	22,536	(9,186)
Norway	3,431	8,693	(5,262)	25,734	11,252	14,482
NSP Agency	28,209	0	28,209	63,385	0	63,385
Poland	17,342	13,872	3,470	19,419	17,444	1,975
Portugal	6,333	4,343	1,990	20,112	5,492	14,620
Romania	9,757	5,742	4,016	6,597	6,874	(277)
SHAPE	1,099	0	1,099	2,371	0	2,371
Slovakia	(1,136)	2,425	(3,562)	316	2,914	(2,597)
Slovenia	2,657	1,216	1,441	192	1,459	(1,267)
Spain	507	26,109	(25,602)	(16)	32,745	(32,761)
Turkey	2,071	17,788	(15,717)	8,126	22,397	(14,271)
United Kingdom	81,577	58,442	23,135	35,052	75,388	(40,336)
United States	31,271	116,856	(85,585)	65,543	150,103	(84,560)
<b>Total</b>	<b>522,260</b>	<b>522,260</b>	<b>0</b>	<b>661,824</b>	<b>661,824</b>	<b>0</b>

2.4. Annual Financially Completed Projects by Host Nation (in KEUR)

Host Nation	2019 COFFA	2019 funds Deauthorised
Belgium	26,847	278
Denmark	7,227	120
Germany	23,478	1,947
Greece	4,582	7
Hungary	35,548	625
Italy	28,760	6,007
NCI Agency	35,344	1,152
Norway	7,036	224
NSP Agency	212,705	2,253
SHAPE	-4,214	0
Slovakia	25,594	1,555
Spain	1,683	0
Turkey	722	0
United Kingdom	2,447	0
United States	1,784	643
<b>Total</b>	<b>409,543</b>	<b>14,812</b>
During 2018	288,425	30,371

SHAPE negative COFFA relates to the project 2009/5VA30534-01 @26C - ISAF Kandahar – for the closure of the reimbursement scheme.

### 3. Financial Activity Summary - Past 10 Years of (in MEUR)

Year	Programming	Physical Scope	Net Authorised Scope	Net Authorised Funds	Forecasted Expenditure	MTRP Input Auth Program	Financial Expend. Rate Versus MTRP	Expenditure	Financial Expenditure Rate	Excess/ (Shortfall) Forecasts	Contributions Paid	Other Income	Approved Ceiling	Contributions not called
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7) = (8) / (6)	(8)	(9) = (8) / (5)	(10) = (5) - (8)	(11)=(5)-(10) of PY	(12)	(13)	(14)
2010	220.4	(0.3)	336.3	522.6	870.4			651.1	75%	219.3	949.9		949.9	0.0
2011	472.8	283.7	615.9	878.9	818.7			686.3	84%	132.4	599.4		875.0	275.6
2012	680.8	34.0	518.0	634.7	664.1			555.1	84%	109.0	531.7		800.0	268.3
2013	674.9	180.4	603.0	644.8	663.8	1,128.4	47%	525.9	79%	137.9	554.8		700.0	145.2
2014	700.0	177.0	207.6	512.6	671.8	849.1	63%	538.5	80%	1st half 2014: 28.8 2nd half 2014: 104.5	505.1		700*	194.9
2015	248.0	(261.2)	754.8	748.9	619.8	867.1	69%	595.4	96%	1st half 2015: 20.4 2nd half 2015: 4.0	494.9**		700***	205.1
2016	2,826.1	(97.0)	511.4	576.3	587.5	884.9	57%	508.5	87%	1st half 2016: 51.6 2nd half 2016: 27.4	531.9		690.0	158.1
2017	449.5	214.9	375.5	604.6	463.1	954.5	44%	417.7	90%	1st half 2017: 17.5 2nd half 2017: 27.9	418.2		655.0	236.8
2018	2,122.1	832.3	1,025.5	1,054.4	745.4	1,146.6	57%	654.2	88%	1st half 2018: 55.6 2nd half 2018: 35.5	661.8	(8.9)****	700.0	38.2
2019	438.9	(1,102.0)	2,120.9	1,101.7	611.2	999.4	56%	556.9	91%	1st half 2019: 53.4 2nd half 2019: 0.9	522.3		700.0	177.7

\* The RPPB agreed that the amount exceeding the EUR 650 million will not be released until appropriate progress had been made on the follow-on tasking from the February 2013 Defence Ministerial meeting. The release of the additional MEUR 50 was not sought.

\*\* Further to the Go-Live of CIRIS in July 2014, the computation of contributions is now based on quarterly carry forward instead of twice yearly. The excess forecast from 2nd half 2014 plus the excess forecast from the 1st half 2015 was used to compute the contributions 2015.

\*\*\* Ceiling of MEUR 625 plus MEUR 75 dedicated for RAP projects.

\*\*\*\* Other income in the amount of EUR 8,904,658 was recouped from SHAPE during the fourth quarter 2018 call for contribution (refer to AC/4(PP)D/27926).

## PART II – Cumulative Financial Activity

### 4. Cumulative Financial Activity

4.1. Cumulative Financial Activity Summary (in KEUR): This table represents an overview of the NSIP financial activity cumulative through 31 December 2019.

Description of Cumulative Activity	
<b>Programming:</b>	43,727,181
<b>Authorisations:</b>	
Physical Scope	488,608
Net Authorised Scope	40,086,470
Net Authorised Fund	38,883,070
<b>Financial Implementation:</b>	
Latest Cost Estimate (LCE)	44,351,804
Expenditure	35,788,660
Latest Cost Estimate Remaining to be Spent (LCE RTBS)	8,563,145
<b>Contributions:</b>	
NATO Allies	35,416,078
Contributions from Historic Agreements (1)	382,108
Offset from Contributions from Prior Adjustment (2)	(8,612)
Shortfall from second half 2019	(914)
Cumulative Expenditure	35,788,660
<b>Others:</b>	
Amounts due to NSIP by third parties	17,890
Miscellaneous Income Owed to NSIP	13,428
Financial Value of Projects Discharged by Investment Committee to Host Nations (3)	28,558,540

(1) Include historical agreements from Germany, NADGE and Turkey.

(2) Prior adjustments are due to implementation of the International Accounting Unit and the NATO Accounting Unit, and minor rounding discrepancies.

(3) This amount does not include EUR 24,086 of financial value to be discharged to Host Nations (see paragraph 4.2.)

#### 4.2. Cumulative Financial Activity by Implementation Stage as at 31 December 2019 (in KEUR)

Implementation phase	Programmed Amount	LCE	Physical Scope	Authorised Scope	Authorised Funds	COFFA	Actuals	LCE RTBS
Planning	2,375,513	2,216,158	0	0	0	0	0	2,216,158
Design	1,472,556	1,928,709	186,215	42,230	42,230	0	22,774	1,905,935
Under Implementation	2,778,391	5,645,877	144,839	5,114,616	4,010,350	86	1,253,018	4,392,858
Virtually Completed	4,782,401	6,002,520	150,461	6,371,083	6,271,949	24,000	5,954,326	48,194
<b>Subtotal Active</b>	<b>11,408,862</b>	<b>15,793,264</b>	<b>481,515</b>	<b>11,527,929</b>	<b>10,324,529</b>	<b>24,086</b>	<b>7,230,119</b>	<b>8,563,145</b>
Discharged by IC to HN	32,318,320	28,558,540	7,093	28,558,540	28,558,540	28,558,540	28,558,540	0
<b>Total</b>	<b>43,727,181</b>	<b>44,351,804</b>	<b>488,608</b>	<b>40,086,470</b>	<b>38,883,070</b>	<b>28,582,626</b>	<b>35,788,660</b>	<b>8,563,145</b>

Physical Scope of KEUR 7,093 Will be closed in 2020

Planning Phase: Approved but not yet Financially Authorised

Design Phase: Fund Authorisation less than 5% of the Latest Cost Estimate.

Under implementation: Active projects.

Virtually Completed: Expenditure exceeds 90% of the LCE OR the project is completed but not yet certified OR certified but not yet included in a List of Completed Projects.

Completed Projects: Projects financially closed and certified by the International Board of Auditors for NATO, noted by the Investment Committee.

Physical Scope: Agreement of physical scope does not grant the authority to sign a contract on behalf of NATO which would only be granted at the second stage when the Host Nation will be ready to issue the IFB.

#### 4.3. Cumulative Financial Activity by Programmed Year (in KEUR)

Project Year	Programmed Amount	LCE	Physical Scope	Authorised Scope	Authorised Funds	Expenditure	LCE RTBS	%
<b>Total 02 - 36</b>	11,911,688	13,573,722	0	14,389,219	13,572,450	13,573,722	0	0.00%
37	1,548,136	1,319,575	0	2,060,447	1,317,415	1,319,575	0	
38	1,529,075	1,384,459	0	1,684,410	1,382,729	1,384,423	36	
39	1,561,853	1,227,436	0	1,111,481	1,227,729	1,227,436	0	
40	1,842,148	1,412,993	0	1,513,006	1,413,055	1,412,993	0	
41	1,847,881	1,345,312	0	844,510	1,348,221	1,345,282	30	
42	1,499,673	1,199,696	0	737,289	1,199,035	1,199,696	0	
43	815,752	903,264	0	387,139	905,929	902,453	811	
44	656,596	486,618	0	132,504	489,956	486,618	0	
45	23,897	5,602	0	5,602	5,602	5,602	0	
<b>Total 37 - 45</b>	11,325,012	9,284,955	0	8,476,386	9,289,670	9,284,077	878	0.01%
1994	1,145,302	1,564,973	24,313	1,579,701	1,574,270	1,451,425	113,549	
1995	268,604	332,812	0	333,951	333,951	332,812	0	
1996	847,430	783,245	0	816,225	802,023	780,904	2,341	
1997	784,841	878,215	0	898,018	891,032	864,457	13,758	
1998	770,381	768,574	0	803,685	781,060	766,986	1,589	
1999	1,586,087	1,506,726	0	1,554,278	1,522,015	1,386,835	119,891	
<b>Total 1994 - 99</b>	5,402,645	5,834,545	24,313	5,985,858	5,904,351	5,583,419	251,127	2.93%
2000	483,216	442,419	3,433	452,241	446,480	428,506	13,913	
2001	1,225,492	499,733	4,810	546,750	516,448	436,978	62,754	
2002	187,032	176,775	6,608	171,558	170,232	163,230	13,545	
2003	360,569	402,645	23,639	411,832	407,493	383,550	19,095	
2004	315,870	329,960	0	332,160	332,091	329,960	0	
2005	1,789,512	1,745,410	62,480	1,522,718	1,513,739	1,319,566	425,844	
<b>Total 2000 - 05</b>	4,361,691	3,596,941	100,969	3,437,258	3,386,484	3,061,790	535,151	6.25%
2006	661,026	828,501	2,141	835,876	828,614	747,248	81,253	
2007	676,466	720,770	8,648	694,603	694,603	439,980	280,790	
2008	796,431	684,837	0	686,278	686,278	636,097	48,740	
2009	311,269	269,283	0	271,105	271,105	266,375	2,908	
2010	207,554	250,368	0	253,007	253,007	250,368	0	
2011	450,143	579,108	8,934	445,029	443,433	297,804	281,304	
<b>Total 2006 - 11</b>	3,102,890	3,332,867	19,723	3,185,899	3,177,041	2,637,872	694,995	8.12%
2012	656,252	788,503	83,421	505,903	477,581	342,284	446,220	
2013	659,382	877,544	23,259	205,307	200,050	163,390	714,154	
2014	707,574	987,729	59,811	625,959	625,958	370,176	617,553	
2015	261,138	288,954	57,748	133,718	133,718	95,679	193,275	
2016	2,803,641	2,767,959	107,874	1,945,742	920,544	357,121	2,410,838	
2017	434,224	490,305	5,003	263,038	263,038	78,305	412,000	
<b>Total 2012 - 17</b>	5,522,212	6,200,995	337,115	3,679,666	2,620,889	1,406,954	4,794,041	55.98%
2018	1,915,638	2,247,125	6,488	779,161	779,161	228,670	2,018,455	23.57%
2019	185,407	277,115	0	150,892	150,892	11,562	265,553	3.10%
2020	0	3,539	0	2,131	2,131	594	2,945	
<b>Total</b>	<b>43,727,181</b>	<b>44,351,804</b>	<b>488,608</b>	<b>40,086,470</b>	<b>38,883,070</b>	<b>35,788,660</b>	<b>8,563,145</b>	<b>100.00%</b>

## 5. Cumulative Financial Activity by Host Nation

### 5.1. Cumulative Financial Activity by Host Nation (in KEUR)

Host Nation	Programmed Amount	LCE	Physical Scope	Authorised Scope	Authorised Funds	Expenditure	LCE RTBS
ACT	52,320	27,368	0	27,129	27,129	24,196	3,172
AL	46,843	15,538	2,624	598	598	493	15,045
BE	1,146,155	1,122,410	0	898,150	898,150	853,253	269,158
BU	126,456	131,819	0	72,926	70,734	60,570	71,250
CA	102,741	88,635	0	79,940	79,940	79,940	8,696
CR	7,500	27,461	2,362	11,152	11,152	9,477	17,985
CZ	169,024	149,286	6,063	142,446	141,306	134,365	14,921
DE	808,838	782,041	0	744,558	743,930	736,582	45,459
ES	124,525	113,168	0	83,999	83,883	63,010	50,159
FR	1,144,681	1,077,242	0	1,026,018	1,026,018	1,019,251	57,991
GE	5,915,462	6,309,911	0	6,111,540	6,108,644	5,971,243	338,668
GR	2,126,881	2,157,084	11,494	2,026,595	2,013,143	1,898,431	258,653
HU	404,254	293,890	0	189,110	189,110	182,723	111,167
IC	41,325	37,638	0	33,418	33,418	27,282	10,356
IT	3,289,474	2,678,382	88,040	2,547,626	2,534,032	2,379,088	299,293
LA	134,627	94,980	6,054	47,150	47,150	44,263	50,718
LI	132,275	103,358	435	53,482	53,482	46,028	57,330
LU	65,518	59,204	0	59,204	59,204	59,204	0
NCIA	10,254,717	10,566,398	296,085	8,665,744	7,557,302	6,589,208	3,977,190
NE	1,152,603	1,064,181	0	1,009,616	1,005,311	974,011	90,170
NG	0	33,228	0	33,228	33,228	33,228	0
NO	2,043,863	2,309,184	17,469	2,259,054	2,256,898	2,213,178	96,006
NSPA	1,693,872	2,076,410	7,003	1,923,952	1,923,022	1,240,627	835,783
PL	700,704	782,201	0	732,276	716,052	472,230	309,971
PO	563,717	646,550	0	622,645	622,645	610,813	35,737
RO	184,650	178,538	514	111,808	111,807	62,452	116,085
SHAPE	1,086,259	984,682	0	992,065	991,948	983,249	1,433
SK	56,925	73,390	2,448	40,623	40,623	39,132	34,259
SN	88,752	58,280	2,362	42,558	42,558	39,624	18,656
SP	489,204	318,485	0	250,579	250,579	238,973	79,512
TU	4,989,747	5,287,224	18,313	4,724,863	4,695,405	4,580,125	707,099
UK	2,771,992	2,869,875	0	2,773,501	2,771,573	2,631,673	238,201
US	1,811,280	1,833,762	27,342	1,748,917	1,743,097	1,490,738	343,024
<b>Total</b>	<b>43,727,181</b>	<b>44,351,804</b>	<b>488,608</b>	<b>40,086,470</b>	<b>38,883,070</b>	<b>35,788,660</b>	<b>8,563,145</b>



## 5.2. Cumulative Contributions by Host Nation (in KEUR)

Host Nation	2019 Received	2019 Paid	2019 Net Rec./(Paid)	2018 Received	2018 Paid	2018 Net Rec./(Paid)
ACT	24,196	0	24,196	20,961	0	20,961
AL	493	2,426	(1,933)	478	2,105	(1,627)
BE	843,258	1,523,020	(679,762)	825,154	1,510,906	(685,753)
BU	60,570	26,154	34,415	58,156	24,414	33,742
CA	79,939	1,966,618	(1,886,679)	79,670	1,936,328	(1,856,658)
CR	9,521	8,666	855	6,971	7,545	(574)
CZ	134,469	105,278	29,191	132,931	100,288	32,644
DE	711,764	1,108,566	(396,803)	710,251	1,100,692	(390,441)
ES	63,367	8,351	55,016	44,391	7,785	36,606
FR	1,006,697	1,832,430	(825,733)	1,002,483	1,780,428	(777,945)
GE	5,857,395	7,688,380	(1,830,985)	5,849,325	7,606,096	(1,756,771)
GR	1,868,685	310,457	1,558,228	1,862,278	304,851	1,557,427
HU	182,511	77,085	105,426	180,449	73,416	107,033
IC	27,313	1,532	25,781	13,632	1,336	12,296
IT	2,334,619	2,786,306	(451,687)	2,330,660	2,742,504	(411,844)
LA	44,387	10,990	33,397	42,448	10,233	32,215
LI	45,908	16,576	29,331	46,467	15,418	31,049
LU	59,204	66,970	(7,766)	59,204	66,195	(6,991)
MO	0	80	(80)	0	41	(41)
NG	12,997	0	12,997	12,997	0	12,997
NCIA (1)	6,581,284	0	6,581,284	6,344,530	0	6,344,530
NE	963,064	1,605,796	(642,732)	949,066	1,588,329	(639,262)
NO	2,166,187	933,869	1,232,318	2,162,756	925,176	1,237,580
NSPA	1,228,908	0	1,228,908	1,200,698	0	1,200,698
PL	474,874	288,365	186,509	457,532	274,493	183,039
PO	610,802	124,395	486,408	604,470	120,052	484,418
RO	62,452	85,229	(22,777)	52,695	79,488	(26,793)
SHAPE	982,097	0	982,097	980,998	0	980,998
SK	39,132	35,289	3,843	40,268	32,863	7,405
SN	40,102	19,378	20,724	37,445	18,162	19,283
SP	238,588	473,626	(235,038)	238,081	447,517	(209,436)
TU	4,515,928	470,126	4,045,802	4,513,857	452,338	4,061,519
UK	2,653,978	4,318,249	(1,664,271)	2,572,400	4,259,807	(1,687,406)
US	1,491,388	9,521,869	(8,030,481)	1,460,118	9,405,014	(7,944,896)
<b>Total</b>	<b>35,416,078</b>	<b>35,416,078</b>	<b>0</b>	<b>34,893,818</b>	<b>34,893,818</b>	<b>0</b>

(1) Includes former Administrative Budgets

5.3. Cumulative Financially Completed Projects, Latest Cost Estimate (LCE), Expenditure and Latest Cost Estimate Remaining to be Spent (RTBS) by Host Nation (in KEUR)

Host Nation	Financial Value Discharged to HN	LCE	Expenditure	LCE RTBS
ACT	3,051	27,368	24,196	3,172
AL	0	15,538	493	15,045
BE	700,634	1,122,410	853,253	269,158
BU	15,991	131,819	60,570	71,250
CA	79,671	88,635	79,940	8,696
CR	0	27,461	9,477	17,985
CZ	61,013	149,286	134,365	14,921
DE	722,903	782,041	736,582	45,459
ES	32,365	113,168	63,010	50,159
FR	960,307	1,077,242	1,019,251	57,991
GE	5,494,620	6,309,911	5,971,243	338,668
GR	1,464,341	2,157,084	1,898,431	258,653
HU	104,529	293,890	182,723	111,167
IC	0	37,638	27,282	10,356
IT	1,884,331	2,678,382	2,379,088	299,293
LA	20,869	94,980	44,263	50,718
LI	36,892	103,358	46,028	57,330
LU	59,204	59,204	59,204	0
NCIA	3,444,393	10,566,398	6,589,208	3,977,190
NE	868,194	1,064,181	974,011	90,170
NG	33,228	33,228	33,228	0
NO	2,110,475	2,309,184	2,213,178	96,006
NSPA	839,577	2,076,410	1,240,627	835,783
PL	220,047	782,201	472,230	309,971
PO	562,689	646,550	610,813	35,737
RO	4,441	178,538	62,452	116,085
SHAPE	871,947	984,682	983,249	1,433
SK	31,656	73,390	39,132	34,259
SN	6,376	58,280	39,624	18,656
SP	166,355	318,485	238,973	79,512
TU	4,026,982	5,287,224	4,580,125	707,099
UK	2,482,238	2,869,875	2,631,673	238,201
US	1,273,310	1,833,762	1,490,738	343,024
	<b>28,582,626</b>	<b>44,351,804</b>	<b>35,788,660</b>	<b>8,563,145</b>

6. Readiness Action Plan: Cumulative Financial Activity by Host Nation (in KEUR)

Host Nation	Programmed Amount	LCE	Physical Scope	Authorised Scope	Authorised Funds	Expenditure	LCE RTBS
Bulgaria	28,770	26,159	0	6,620	6,620	3,415	22,744
Estonia	52,733	43,415	0	39,684	39,567	28,959	14,457
Hungary	47,113	51,428	0	4,587	4,587	4,233	47,195
Latvia	70,366	26,101	0	8,743	8,743	6,952	19,149
Lithuania	44,321	11,471	0	3,193	3,193	683	10,788
NCI Agency	7,951	7,517	0	10,260	10,260	7,517	0
NSP Agency	0	73,030	0	28,015	28,015	4,929	68,101
Poland	114,919	108,936	0	107,394	107,394	5,498	103,438
Romania	56,625	39,849	514	44,005	44,005	10,714	29,135
Slovakia	9,565	7,975	0	3,876	3,876	3,876	4,099
United States	321,815	296,475	0	273,835	273,835	84,990	211,485
<b>Total</b>	<b>754,178</b>	<b>692,358</b>	<b>514</b>	<b>530,212</b>	<b>530,096</b>	<b>161,767</b>	<b>530,591</b>

## 7. Alliance Operations and Missions by Operation (in KEUR)

Operation	Programmed Amount	LCE	Physical Scope	Authorised Scope	Authorised Funds	Expenditure	LCE RTBS
ISAF	1,575,932	1,495,083	0	1,499,017	1,499,017	1,493,464	1,619
Balkans	682,482	673,380	0	677,313	677,196	649,221	24,159
NTM-I	37,164	33,399	0	33,971	33,971	28,460	4,938
NATO Support to Pakistan	341	321	0	321	321	321	0
NSAU	0	3	0	3	3	0	3
Operation Ocean Shield	3,960	3,544	0	3,547	3,547	3,152	392
Operation Active Endeavor	17,794	16,434	0	17,596	17,596	16,398	36
RS - Resolute Support	234,556	521,389	1,089	539,381	539,381	99,691	421,698
	<b>2,552,229</b>	<b>2,743,553</b>	<b>1,089</b>	<b>2,771,149</b>	<b>2,771,032</b>	<b>2,290,708</b>	<b>452,845</b>

## PART III – Additional Information

### 8. Miscellaneous Income Owed to NSIP (in KEUR)

Funding provided to NCIA may accumulate positive or negative interest before it is expended. This interest is owed by NCIA to NSIP and will be used to offset future calls for contributions.

Year	NC3A	NACMA	NCIA	Total NCIA
2007	3,020	0		3,020
2008	(1,149)	1,062		(87)
2009	(1,069)	372		(697)
2010			2,586	2,586
2011			(1,733)	(1,733)
2012			3,860	3,860
2013			1,213	1,213
2014			1,444	1,444
2015			3,823	3,823
2016*				
2017*				
2018*				
<b>Total</b>	<b>801</b>	<b>1,434</b>	<b>11,193</b>	<b>13,428</b>

\* Amounts have not yet been provided by NCIA.

### 9. Amounts Due to NSIP

As at 31 December 2019, the amounts to be reimbursed to NSIP (in KEUR) are:

5,954 for New Command Structures “AFSOUTH 2000”  
 7,341 for NATO Underwater Research Centre.  
4,595 for CIS Kandahar Airfield  
 17,890 Total

#### New Command Structures “AFSOUTH 2000”

The balance owed to NSIP originated from Morale and Welfare at JFC Naples associated with the NATO Command Structure.

#### NATO Undersea Research Centre (NURC)

The balance owed to NSIP relates to equipment provided to NURC with NSIP funds with an agreement that NSIP funds would be reimbursed.

#### CIS Kandahar Airfield

The balance owed to NSIP relates to the prefinanced cost of the KAF CIS common infrastructure required for the support of non-eligible users which was agreed to be reimbursed.

## NSIP GLOSSARY OF TERMS

<b>Alliance Operations and Missions (AOM)</b>	Alliance Operations and Missions Requirement is the military capability NATO needs to be able to accomplish its missions and operations.
<b>Audit - Project</b>	The NSIP Project Audit is an examination of the project accounts presented by the HN, in order to enable the Council and, through their Permanent Representatives, the Governments of member countries to satisfy themselves that common funds have been properly used for the settlement of authorized expenditure.
<b>Authorised Scope</b>	The Investment Committee authorizes Nation/Agency to implement specific works (build a hangar, procure and install 25 radios, etc.). The specific works (“what”) are known as the <b>physical scope</b> , and the amount of funds the Host Nation may commit (“how much”) is known as the <b>financial scope</b> .
<b>Authorised Funds</b>	The maximum amount of funds a Host Nation is allowed to spend.
<b>Call for Contributions (CfC)</b>	The Call for Contributions is issued four times per year, requesting nations to pay each other through multilateral compensation for a specified amount and currency based upon the cost share arrangements applicable.
<b>Capability Package (CP)</b>	<p>A Capability Package is a combination of national and NATO-funded assets and support facilities which, together, will enable a Major NATO Command to fulfil a specific military function or requirement. It is known as the tool used by the resource community to provide a capability needed by the Strategic Commander to fulfil a military requirement.</p> <p>An approval of a Capability Package results in the programming of common funds needed for NSIP projects proposed in the CP.</p>
<b>Capability Programme Plan (CPP)</b>	A Capability Programme Plan is a combination of DOTMLPFI components that, when delivered as intended, will enable the Strategic Commands to fulfil a specific military function or requirement.
<b>Capability Package Implementation Plan (PIP)</b>	The Capability Package Implementation Plan is a document produced for the IC upon approval of the CP which outlines the implementation and expenditure profiles for the projects in the CPs. It has the aim to help the HN to understand better the requirements (shortfalls, corrections, O&M costs), to refine the schedule and indicate a baseline against which the implementation progress of the CP and of the individual projects can be measured.
<b>Certificate of Final Financial Acceptance (COFFA)</b>	A Certificate of Final Financial Acceptance is a certificate issued by the International Board of Auditors, per sub project, when the project outputs/projects deliverables have been formally accepted and the audit examination is completed.

<b>Common Funded Integrated Resources Information System (CIRIS)</b>	This is the NSIP database where any information concerning the program is stored.
<b>Common Funding (CF)</b>	Common Funding are formal arrangements which have been put in place whereby member nations, collectively, provide funds to NATO. There are three different types of CF in NATO: the Civil Budget, the Military Budget, and the NSIP.
<b>Completed project</b>	Financially completed projects have received a COFFA from the IBAN and the list of completed projects has been to the IC for agreement.
<b>Contributions</b>	Contributions, as approved by the IC, are the amounts paid and received by the participating nations in accordance with the agreed cost sharing arrangements.
<b>Contribution ceiling</b>	The contribution ceiling is the NAC-approved upper limit on the funds to be contributed by the member nations during a calendar year.
<b>De-authorization</b>	A de-authorization is the reduction of scope and/or funds within a project.
<b>Decision sheets</b>	Decision sheets record the decisions reached by a committee/board.
<b>Excess/Shortfall</b>	Difference between the forecasts paid and the actual expenditure reported by Host Nation for the same period. This was previously referred as carry forward.
<b>Expenditure</b>	Level of expenditure incurred for the implementation of an NSIP funded project.
<b>Expenditure rate</b>	The expenditure rate is the ratio of the amount actually expended in a period compared to the amount that was forecasted for the same period.
<b>Financial Increments</b>	For a large project, the IC may initially authorize full scope and a reduced amount of financial funds, which is also called Financial Increments. Financial Increments are partial financial authorizations and are the disbursement authority for funds.
<b>Forecasts of expenditure</b>	Amount forecasted by Nations/Agencies to be expended during the life time of an NSIP funded project. Forecasts of expenditure are provided per quarters/years in the NSIP database (CIRIS).
<b>Host Nation (HN)</b>	Ally or Agency or Strategic Command receiving the authorization and therefore responsible and accountable for the implementation of the NSIP.
<b>International Board of Auditors for NATO (IBAN)</b>	The IBAN is the independent, external audit body of NATO.
<b>Investment Committee (IC)</b>	The Investment Committee is one of NATO's Resource Committees and responsible for the implementation of the NSIP, either from Capability packages as screened by the RPPB and approved by the NAC or from the delegated authority granted to IC for Alliance Operations & Missions or Minor Works/Urgent Requirements.
<b>Latest Cost Estimate (LCE)</b>	The Latest Cost Estimate is the sum of the amount already expended plus the future expenses forecasted by the HN in its Quarterly Financial Report. The LCE is the total estimated cost to bring the NSIP project to completion.

<b>Latest Cost Estimate (LCE) remaining to be spent (RTBS)</b>	This is the amount of LCE unspent i.e. Latest Cost Estimate minus Expenditure
<b>Lump Sum</b>	<p>A Lump Sum can be defined as a fixed, once and for all, comprehensive authorization granted when it is very difficult and impractical to separate the NATO scope from the national scope.</p> <p>Once a nation has received a lump sum contribution it has no further claim on NATO in cases of cost overruns and must complete the works from its own resources.</p>
<b>Lump Sum conversion</b>	Process of converting a normal authorization into a lump sum due to lack of documentation or in the framework of accelerated closure. Those lump sum conversions are not subject to audit by IBAN.
<b>Medium Term Resource Plan (MTRP)</b>	The Medium Term Resource Plan is the primary document used for short to medium-term resource planning and is approved by the NAC on an annual basis. It provides a comprehensive overview of and forward look on activities requiring Common Funding and covers the three NATO resource pillars of investment, O&M and manpower. The MTRP makes recommendations on the resources to be allocated to the Military Budget and the budget year and to set NSIP planning figures for a four-year outlook period.
<b>Minor Work</b>	A Minor Work is defined as discrete project, straightforward, self-standing and completely usable, not part of a currently proposed project and not the planning or a consulting aspect associated with a larger project. Minor Works must be in line with the current guidelines for CF. Ceiling, per MW, is currently set at EUR 1,500,000. In October 2019, with AC/4-D(2011)0010-ADD2 (INV) – DS(2019)0025 (INV) the ceiling was raised to EUR 2,000,000.
<b>Physical scope (including released and cancelled)</b>	<p>The physical scope describes the exact nature and range of the work supported for authorization by the IC with a breakdown of the cost estimate by items as set out in the screening document prepared by the IS.</p> <p>Released Physical scope: when financial scope has been authorized granting contracting authority.</p> <p>Cancelled Physical scope: when physical scope is no longer required.</p>
<b>Prefinancing</b>	Prefinancing is a procedure by which a HN declares to NATO its intention to fund from national resources a project which may later qualify for NSIP funding. In this manner the project avoids being classified as “a posteriori”.
<b>Programming</b>	There are 4 types of programming a project. The CP and SAP project process follow the same format of programming. The CPs and SAPs are reviewed by the RPPB and the MC and formerly approved by the NAC. The Minor Works, Urgent Requirements and Alliance Operations & Missions for which programming authority has been delegated to the IC, the projects are considered programmed as from the time of the first IC authorisation against the project.
<b>Requirement Area</b>	Grouping of NATO strategic objectives
<b>Stand Alone Project (SAP)</b>	A SAP is one of the 3 special ways of programming beside the CP-method and is handled in exactly the same way as a CP. A SAP submission is the means to program NSIP funds for a project that is not part of a larger capability. From a staffing viewpoint, a SAP is a CP with just one project.

<b>Urgent Requirement (UR)</b>	Urgent requirements are programmed by the IC under delegated authority and are not part of a CP or SAP project for reasons of urgency (AOM are also considered URs). URs are military requirements that are in line with CF guidelines. They are based on operational, safety, economic and environmental considerations and need to be implemented promptly to ensure that the current operational capability is maintained. URs are authorized on a case by case basis by the IC.
<b>Virtually completed projects</b>	A project is considered Virtually completed when its expenditure exceeds 90% of the Latest Cost Estimate or when it is a completed projects not yet certified or certified but not yet included in a List of Completed Projects.