

**N A T O**

**SECURITY INVESTMENT PROGRAMME**

**FINANCIAL ACTIVITY**

**AS AT 31 DECEMBER 2018**

**NSIP FINANCIAL ACTIVITY FOR 2018  
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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 2018 and 31 December 2017 with details provided in the following pages as applicable.

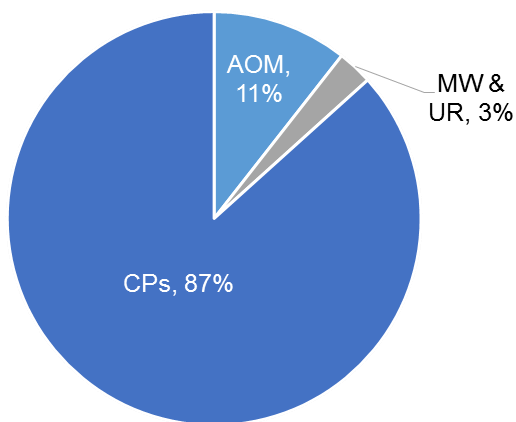
Description of Annual Activity	2018	2017
<b>Programming:</b>		
Council	1,839,439	306,754
Investment Committee (Delegated Authority)	282,685	142,762
Total	2,122,124	449,516
<b>Authorizations:</b>		
Physical Scope	832,322	214,870
Net Authorised Scope	1,025,500	375,503
Net Authorised Fund	1,054,437	604,621
<b>Financial Implementation:</b>		
Approved Forecasts of Expenditure	745,355	463,083
Expenditure	(654,164)	(417,673)
Excess Forecasts	91,191	45,410
MTRP Input for Approved Programme	1,146,571	954,461
<u>Expenditure Rates:</u>		
Approved Forecasts / Expenditure	88%	90%
MTRP Approved Programme Only / Expenditure	57%	44%
<b>Contributions:</b>		
Approved Ceiling	700,000	655,000
Approved Forecasts of Expenditure	745,355	* 463,085
Q3 & Q4 of Prior Year - Excess Forecasts	(27,893)	(27,371)
Q1 & Q2 of Current Year - Excess Forecasts	(55,638)	(17,515)
Amount of Contribution Called	661,824	418,199
Amount of Contribution Not Called	38,176	236,801
<b>Financially Completed Projects:</b>		
Number of Projects with COFFAs Completed	117	680
Financial Value of Projects COFFAs Completed	288,425	1,205,987

\* Includes KEUR 2 correction

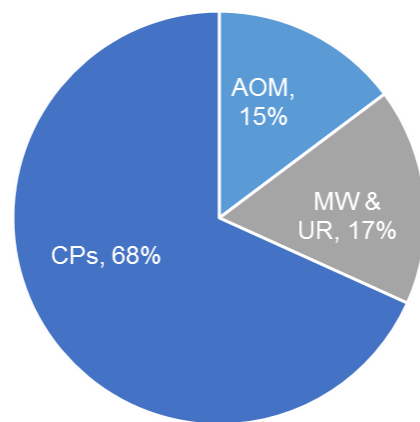
1.2. Annual Programming by Programming Type (in KEUR)

Programming Type	2018 Total	2017 Total
<b>Programmed by the NAC (Capability Packages)</b>		
Bulk Fuel Assets for NATO Airfields	605,292	
Air to Air Refuelling Assets	336,614	
Provide Maintain Facility Equipment NAEW&C F	123,354	
CIS Security - Cybersecurity Services	72,092	
Provide JWC JFTC Infrastructure	26,006	
PMIC Extension	19,900	
Defensive and Offensive Air Assets* <b>Sub-total</b>	656,181	
	<b>1,839,439</b>	<b>306,754</b>
<b>Programmed by the IC (Delegated Authority)</b>		
Alliance Operations and Missions	224,418	66,400
Minor Works (MW) and Urgent Requirements (UR) <b>Sub-total</b>	58,267	76,362
	<b>282,685</b>	<b>142,762</b>
<b>Total</b>	<b>2,122,124</b>	<b>449,516</b>

Programming 2018: KEUR 2,122,124



Programming 2017: KEUR 449,516

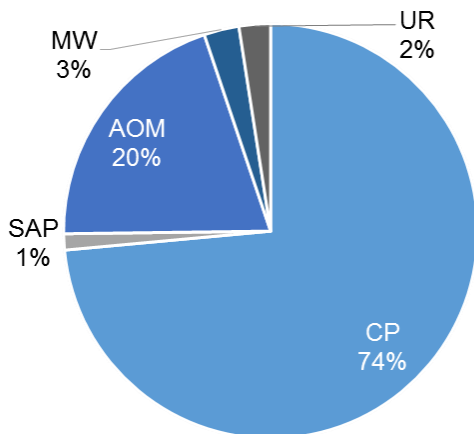


1.3. Annual Authorisations (Authorised Scope) by Programming Type (in KEUR)

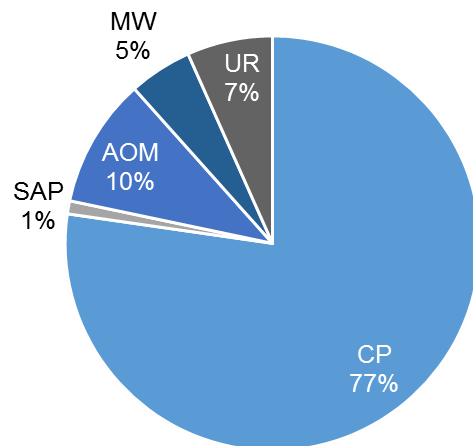
<b>Authorised Scope</b>	<b>2018</b>	<b>2017</b>
Capability Packages (CP) Projects	824,785	508,176
Stand Alone Projects (SAP)	14,103	6,695
AOM Projects	224,418	66,400
MW Projects	30,695	32,443
UR Projects	27,572	43,920
<b>Total</b>	<b>1,121,573</b>	<b>657,633</b>
Deauthorised Scope <b>Net</b>	(96,072)	(282,130)
<b>Authorised Scope</b>	<b>1,025,500</b>	<b>375,503</b>

Note: Annual authorisations include authorisations for the reimbursement of prefinanced and completed projects totalling KEUR 145,916 in 2018 and KEUR 26,561 in 2017.

Authorisations 2018: KEUR 1,122,573



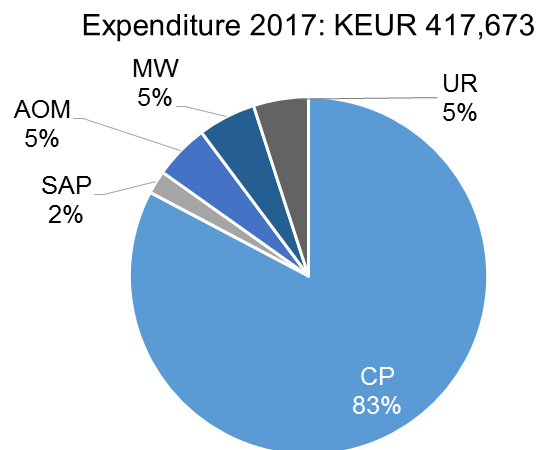
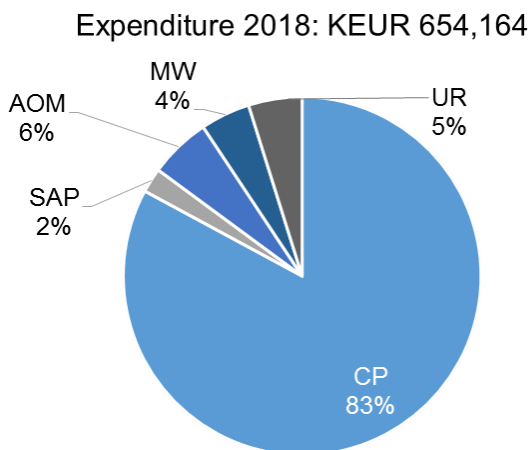
Authorisations 2017: KEUR 657,633



1.4. Annual Expenditures by Programming Type (in KEUR)

Expenditure	2018	2017
Capability Packages (CP) Projects	542,080	345,543
Stand Alone Projects (SAP)	14,559	8,758
AOM Projects	36,403	20,780
MW Projects	29,424	21,821
UR Projects	31,698	20,771
<b>Total</b>	<b>654,164</b>	<b>417,673</b>

Note: Annual expenditures include expenditures for the reimbursement of prefinanced and completed projects totalling KEUR 145,916 in 2018 and KEUR 26,561 in 2017.



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

Years	Expenditure on Virtually Completed Projects (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%

1.6. Lump Sum Conversions (in KEUR)

Host Nation	Amount	Approval Date
Belgium	26,130	13/11/2018
United Kingdom	2,224	27/11/2018
Netherlands	173	08/05/2018
<b>Total 2018</b>	<b>28,528</b>	
Total 2017	340,344	

2. Annual Financial Activity by Host Nation

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

Host Nation	2018 Programming	2018 Authorisation	2017 Programming	2017 Authorisation
ACT	0	1,345	2,821	6,225
Albania	41,318	0	0	112
Belgium	41,488	(1,356)	9,882	2,904
Bulgaria	30,194	9,431	0	722
Canada	0	0	0	0
Croatia	0	215	0	89
Czech Republic	4,505	1,638	493	(238)
Denmark	41,687	895	0	(3,544)
Estonia	13,086	23,665	0	17,471
France	30,362	(24,033)	0	0
Germany	86,612	74,025	26,855	21,474
Greece	140,886	13,377	5,092	10,733
Hungary	29,860	29,758	0	5,515
Iceland	9,668	1,467	22,414	22,640
Italy	163,477	15,092	28,535	(66,098)
Latvia	13,433	2,456	0	1,505
Lithuania	25,946	0	0	1,380
Luxemburg	0	0	0	0
Montenegro	0	0	0	0
NADGE*	0	0	0	0
NCI Agency	152,618	245,240	187,566	155,581
Netherlands	26,794	(421)	22,350	9,679
Norway	53,000	21,467	4,737	3,701
NSP Agency	228,720	326,615	69,321	112,019
Poland	76,787	104,250	0	19,755
Portugal	21,604	1,630	2,525	2,345
Romania	63,362	43,696	0	5,410
SHAPE	1,403	3,527	6,061	4,137
Slovakia	12,365	0	0	169
Slovenia	30,904	834	0	1,094
Spain	38,664	9,881	84	358
Turkey	616,178	11,737	9,382	(102)
United Kingdom	122,933	56,876	16,566	3,759
United States	4,270	52,195	34,831	36,708
<b>Total 2018</b>	<b>2,122,124</b>	<b>1,025,500</b>	<b>449,516</b>	<b>375,503</b>

\* NATO Air Defense Ground Environment



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

Host Nation	MTRP Input for Approved Programme Only (a)	2018 Approved Forecasts (b)	2018 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	2,320	2,177	2,465	(145)	106%	(288)	113%
Albania	2,875	0	0	2,875	0%	0	0%
Belgium	18,762	9,965	11,448	7,314	61%	(1,483)	115%
Bulgaria	12,089	1,661	1,661	10,428	14%	0	100%
Canada	2,602	0	0	2,602	0%	0	0%
Croatia	1,883	1,454	1,236	647	66%	218	85%
Czech Republic	0	1,172	1,154	(1,154)	0%	18	98%
Denmark	2,317	882	1,607	709	69%	(725)	182%
Estonia	17,124	6,106	5,629	11,496	33%	478	92%
France	7,237	0	0	7,237	0%	0	0%
Germany	31,135	42,245	41,347	(10,212)	133%	898	98%
Greece	38,496	11,393	11,575	26,922	30%	(182)	102%
Hungary	48,441	30,404	31,217	17,224	64%	(813)	103%
Iceland	12,815	8,932	8,927	3,887	70%	5	100%
Italy	44,986	19,098	15,464	29,522	34%	3,634	81%
Latvia	17,076	3,752	2,551	14,525	15%	1,201	68%
Lithuania	17,030	2,689	754	16,276	4%	1,935	28%
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	398,573	296,424	280,766	117,807	70%	15,657	95%
Netherlands	10,217	12,533	15,030	(4,812)	147%	(2,496)	120%
Norway	7,295	29,319	26,035	(18,740)	357%	3,284	89%
NSP Agency	110,383	86,616	47,563	62,820	43%	39,052	55%
Poland	52,640	20,156	21,321	31,319	41%	(1,165)	106%
Portugal	16,062	28,438	21,430	(5,368)	133%	7,008	75%
Romania	46,751	6,616	6,600	40,151	14%	16	100%
SHAPE	0	0	2,254	(2,254)	0%	(2,254)	0%
Slovakia	4,848	273	(910)	5,758	-19%	1,183	-333%
Slovenia	15,177	140	(56)	15,233	0%	195	-40%
Spain	17,742	565	1,580	16,162	9%	(1,015)	280%
Turkey	42,508	11,764	8,606	33,902	20%	3,158	73%
United Kingdom	20,237	41,778	20,340	(103)	101%	21,438	49%
United States	94,552	68,803	66,571	27,981	70%	2,232	97%
<b>Subtotal 2018</b>	<b>1,114,171</b>	<b>745,355</b>	<b>654,164</b>	<b>460,007</b>	<b>59%</b>	<b>91,191</b>	<b>88%</b>
AFSC*	24,900	0	0	24,900	0%	0	0%
RAP CPs*	7,500	0	0	7,500	0%	0	0%
<b>Total 2018</b>	<b>1,146,571</b>	<b>745,355</b>	<b>654,164</b>	<b>492,407</b>	<b>57%</b>	<b>91,191</b>	<b>88%</b>
Total 2017	954,461	463,081	417,673	536,788	44%	45,408	90%

\* Alliance Future Surveillance and Control (AFSC) and RAP: adjustments made to compensate for lack of timely input by two Host Nations.

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

Host Nation	2018 Received	2018 Paid	2018 Net Rec./ (Paid)	2017 Received	2017 Paid	2017 Net Rec./ (Paid)
ACT	2,577	0	2,577	3,430	0	3,430
Albania	(0)	401	(401)	31	227	(196)
Belgium	9,199	15,805	(6,606)	5,723	10,338	(4,615)
Bulgaria	1,661	2,085	(424)	3,332	1,344	1,988
Canada	0	38,704	(38,704)	0	23,262	(23,262)
Croatia	1,315	1,403	(88)	1,348	810	538
Czech Republic	1,116	6,282	(5,166)	4,054	3,950	104
Denmark	919	10,355	(9,436)	4,480	6,848	(2,368)
Estonia	6,106	677	5,430	4,301	432	3,869
France	(23)	59,488	(59,510)	23	41,863	(41,840)
Germany	41,579	106,311	(64,732)	14,636	67,559	(52,923)
Greece	12,132	7,145	4,987	5,122	4,507	615
Hungary	30,860	4,626	26,233	5,954	2,913	3,041
Iceland	5,697	247	5,450	3,216	132	3,083
Italy	23,307	56,354	(33,047)	14,452	34,893	(20,440)
Latvia	2,793	911	1,882	4,020	585	3,435
Lithuania	1,581	1,392	189	1,122	882	240
Luxemburg	0	992	(992)	0	607	(607)
Montenegro	0	40	(40)	0	0	(0)
NADGE	0	0	0	0	0	0
NCI Agency	260,823	0	260,823	247,173	0	247,173
Netherlands	13,350	22,536	(9,186)	12,109	14,226	(2,117)
Norway	25,734	11,252	14,482	10,368	7,054	3,314
NSP Agency	63,385	0	63,385	15,440	0	15,440
Poland	19,419	17,444	1,975	16,646	10,897	5,748
Portugal	20,112	5,492	14,620	4,572	3,224	1,348
Romania	6,597	6,874	(277)	3,812	4,438	(626)
SHAPE	2,371	0	2,371	1,752	0	1,752
Slovakia	316	2,914	(2,597)	284	1,872	(1,587)
Slovenia	192	1,459	(1,267)	605	967	(362)
Spain	(16)	32,745	(32,761)	4,263	19,640	(15,377)
Turkey	8,126	22,397	(14,271)	5,457	12,824	(7,367)
United Kingdom	35,052	75,388	(40,336)	2,536	48,075	(45,539)
United States	65,543	150,103	(84,560)	17,938	93,828	(75,890)
<b>Total</b>	<b>661,824</b>	<b>661,824</b>	<b>0</b>	<b>418,197</b>	<b>418,197</b>	<b>0</b>

Notes: Annual contributions include contributions for the reimbursement of prefinanced and completed projects totalling KEUR 145,916 in 2018 and KEUR 26,561 in 2017. During the fourth quarter 2018 call for contributions, SHAPE reimbursed NSIP KEUR 8,905 corresponding to unrealised currency fluctuations and miscellaneous income.

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

<b>Host Nation</b>	<b>2018 COFFA</b>	<b>2018 Funds Deauthorized</b>
Belgium	411	156
Denmark	15,392	0
Germany	22,270	5,237
Greece	8,068	0
Italy	478	20
Latvia	12,429	74
NCI Agency	84,926	6,583
Netherlands	14,319	1,358
Norway	23,038	2,890
NSP Agency	77,526	13,182
SHAPE	(612)	30
Slovakia	1,350	0
Spain	28,829	842
<b>Total</b>	<b>288,425</b>	<b>30,371</b>

### 3. Summary of Past 10 Years of Financial Activity (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)
2009	465.8	(14.4)	919.8	932.3	697.5			777.0	111%	(79.5)	657.7	(17.3)	640.5	0.1
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	→ 505.1		700*	194.9
										2nd half 2014 104.5	→			
2015	248.0	(261.2)	754.8	748.9	619.8	867.1	69%	595.4	96%	1st half 2015 20.4	→ 494.9**		700***	205.1
										2nd half 2015 4.0	→			
2016	2,826.1	(97.0)	511.4	576.3	587.5	884.9	57%	508.5	87%	1st half 2016 51.6	→ 531.9		690.0	158.1
										2nd half 2016 27.4	→			
2017	449.5	214.9	375.5	604.6	463.1	954.5	44%	417.7	90%	1st half 2017 17.5	→ 418.2		655.0	236.8
										2nd half 2017 27.9	→			
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	→ 661.8	(8.9)****	700.0	38.2
										2nd half 2018 27.9	→			

\* 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 were used to compute the contributions 2015.

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

\*\*\*\* Other income in the amount of MEUR 8,9 was recouped from SHAPE during the fourth quarter 2018 call for contributions

## 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 2018.

Description of Cumulative Activity	2018
<b>Programming:</b>	43,539,774
<b>Authorizations: Physical</b>	
Scope	1,590,029
Net Authorised Scope	37,965,605
Net Authorised Fund	37,781,396
<b>Financial Implementation: Latest</b>	
Cost Estimate (LCE)	43,987,429
Expenditure	35,231,761
Latest Cost Estimate Remaining to be Spent (RTBS)	8,755,668
<b>Contributions: NATO</b>	
Allies	34,893,818
Contributions from Historic Agreements (1)	382,108
Offset to Contributions from Prior Adjustments (2)	(8,612)
Miscellaneous Income Owed to NSIP	13,428
Subtotal	35,280,742
Amounts due to NSIP Total	17,890
	35,298,631
<b>Financially Completed Projects: Value of Projects COFFAs Completed</b>	28,149,056

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

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

4.2. Cumulative Financial Activity as at 31 December 2018 by Implementation Stage (in KEUR)

Implementation Phase	Programmed Amount	LCE	Physical Scope	Authorised Scope	Authorised Funds	Expenditure	LCE RTBS
Planning	2,666,900	2,946,181	0	0	0	0	2,946,181
Design	1,173,540	1,527,354	32,100	41,514	41,514	22,226	1,505,128
Under Implementation	3,655,207	6,173,981	1,429,957	4,216,663	4,145,028	1,893,156	4,280,825
Virtually Completed	4,197,183	5,190,857	120,880	5,558,372	5,445,798	5,167,324	23,533
<b>Subtotal Active</b>	<b>11,692,830</b>	<b>15,838,373</b>	<b>1,582,936</b>	<b>9,816,549</b>	<b>9,632,340</b>	<b>7,082,705</b>	<b>8,755,668</b>
Completed	31,846,945	28,149,056	7,093	28,149,056	28,149,056	28,149,056	0
<b>Total</b>	<b>43,539,774</b>	<b>43,987,429</b>	<b>1,590,029</b>	<b>37,965,605</b>	<b>37,781,396</b>	<b>35,231,761</b>	<b>8,755,668</b>

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	%
Total 02 -36	11,911,688	13,573,858	0	14,389,355	13,572,586	13,573,858	0	0.00%
37	1,548,136	1,319,582	0	2,060,454	1,317,422	1,319,582	0	
38	1,529,075	1,383,869	0	1,684,410	1,382,729	1,383,753	116	
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	1,518,877	1,413,055	1,412,993	0	
41	1,847,881	1,351,185	0	844,510	1,354,092	1,351,153	32	
42	1,499,673	1,199,696	0	737,306	1,199,052	1,199,696	0	
43	815,752	902,678	0	387,139	905,929	902,453	225	
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>Subtotal 37 - 45</b>	<b>11,325,012</b>	<b>9,289,658</b>	<b>0</b>	<b>8,482,282</b>	<b>9,295,566</b>	<b>9,289,285</b>	<b>373</b>	<b>0.00%</b>
1994	1,145,302	1,578,299	24,313	1,578,528	1,573,097	1,431,556	146,743	
1995	268,604	332,812	0	334,593	334,593	332,812	0	
1996	847,430	783,127	0	810,073	795,871	780,581	2,546	
1997	784,841	883,172	1,198	898,300	891,314	864,215	18,957	
1998	770,381	768,847	0	803,621	780,996	766,520	2,327	
1999	1,586,087	1,494,588	0	1,539,841	1,507,579	1,376,944	117,644	
<b>Subtotal 1994 - 99</b>	<b>5,402,645</b>	<b>5,840,845</b>	<b>25,511</b>	<b>5,964,956</b>	<b>5,883,450</b>	<b>5,552,629</b>	<b>288,217</b>	<b>3.29%</b>
2000	483,216	449,263	3,433	452,702	446,940	426,690	22,573	
2001	1,225,492	493,668	13,874	531,024	500,723	429,804	63,864	
2002	187,032	175,922	6,608	171,558	170,232	163,226	12,696	
2003	360,569	403,100	9,713	412,136	409,022	382,583	20,518	
2004	315,870	329,960	0	332,160	332,091	329,960	0	
2005	1,789,512	1,781,948	42,226	1,495,331	1,486,692	1,264,506	517,442	
<b>Subtotal 2000 - 05</b>	<b>4,361,691</b>	<b>3,633,862</b>	<b>75,853</b>	<b>3,394,911</b>	<b>3,345,701</b>	<b>2,996,770</b>	<b>637,092</b>	<b>7.28%</b>
2006	661,026	826,444	5,465	835,719	828,372	736,002	90,442	
2007	676,466	704,430	3,112	679,152	679,152	368,289	336,141	
2008	796,431	684,839	0	688,165	688,165	633,325	51,514	

2009	311,269	273,465	0	268,999	268,999	263,044	10,421	
2010	207,554	249,999	0	253,496	253,496	247,893	2,107	
2011	450,663	601,053	18,166	391,664	390,067	278,689	322,364	
<b>Subtotal 2006 - 11</b>	<b>3,103,410</b>	<b>3,340,230</b>	<b>26,743</b>	<b>3,117,194</b>	<b>3,108,251</b>	<b>2,527,241</b>	<b>812,989</b>	<b>9.29%</b>
2012	656,252	772,488	90,325	499,400	470,482	308,998	463,490	
2013	659,382	918,463	3,306	185,649	180,392	148,695	769,768	
2014	707,574	975,894	70,724	571,939	571,939	302,014	673,880	
2015	261,138	255,515	30,732	130,328	130,328	85,736	169,779	
2016	2,803,641	2,729,794	1,217,046	607,210	600,320	280,560	2,449,234	
2017	434,224	552,319	10,948	226,859	226,859	38,630	513,689	
<b>Subtotal 2012 - 17</b>	<b>5,522,212</b>	<b>6,204,473</b>	<b>1,423,081</b>	<b>2,221,385</b>	<b>2,180,320</b>	<b>1,164,634</b>	<b>5,039,839</b>	<b>57.56%</b>
2018	1,913,118	2,099,928	38,841	394,894	394,894	127,340	1,972,588	22.53%
2019	0	4,574	0	628	628	5	4,569	
<b>Total</b>	<b>43,539,774</b>	<b>43,987,429</b>	<b>1,590,029</b>	<b>37,965,605</b>	<b>37,781,396</b>	<b>35,231,761</b>	<b>8,755,668</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	26,955	0	26,131	26,131	21,068	5,887
Albania	46,843	53,260	2,624	598	598	478	52,782
Belgium	1,146,155	1,128,126	4,292	862,708	862,708	835,108	293,018
Bulgaria	126,456	132,396	0	69,139	66,947	58,156	74,240
Canada	102,741	94,698	0	79,671	79,671	79,671	15,027
Croatia	7,500	27,859	2,362	11,152	11,152	6,865	20,994
Czech Republic	169,024	148,282	0	140,779	139,639	132,931	15,351
Denmark	808,838	780,668	0	743,014	742,386	736,281	44,387
Estonia	124,525	117,022	0	82,968	82,852	43,913	73,108
France	1,144,681	1,076,438	0	1,021,804	1,021,804	1,015,148	61,290
Germany	5,915,318	6,287,316	11,402	6,073,647	6,070,752	5,962,130	325,186
Greece	2,123,048	2,208,381	12,692	1,998,013	1,984,561	1,892,880	315,501
Hungary	404,254	280,558	0	189,087	189,087	180,687	99,871
Iceland	41,325	41,581	0	33,378	33,378	16,919	24,662
Italy	3,285,487	2,675,228	78,482	2,493,248	2,479,654	2,373,293	301,935
Latvia	134,627	89,646	0	45,885	45,885	42,305	47,341
Lithuania	132,275	124,985	435	50,838	50,838	45,224	79,762
Luxemburg	65,518	59,204	0	59,204	59,204	59,204	0
NADGE	0	33,228	0	33,228	33,228	33,228	0
NCI Agency	10,147,871	10,440,672	1,200,930	7,347,600	7,258,434	6,346,776	4,093,896
Netherlands	1,150,371	1,050,623	0	994,560	990,255	960,816	89,807
Norway	2,042,463	2,303,773	17,469	2,226,289	2,224,133	2,209,063	94,710
NSP Agency	1,642,603	1,841,401	48,606	1,682,750	1,681,820	1,179,251	662,150
Poland	699,469	772,856	0	714,440	698,215	458,375	314,480
Portugal	563,717	646,173	0	620,958	620,958	604,705	41,469
Romania	184,650	179,801	785	106,453	106,452	52,703	127,098
SHAPE	1,084,504	982,313	0	994,532	994,415	980,343	1,970
Slovakia	56,925	67,827	2,572	40,769	40,684	39,085	28,742
Slovenia	88,752	57,535	2,362	42,558	42,558	37,418	20,118
Spain	489,204	324,745	0	249,999	249,999	238,512	86,232
Turkey	4,990,267	5,311,677	25,012	4,676,168	4,646,709	4,574,440	737,237
United Kingdom	2,771,992	2,856,061	0	2,772,070	2,770,142	2,556,416	299,645
United States	1,796,052	1,766,142	180,005	1,481,968	1,476,148	1,458,369	307,773
<b>Total</b>	<b>43,539,774</b>	<b>43,987,429</b>	<b>1,590,029</b>	<b>37,965,605</b>	<b>37,781,396</b>	<b>35,231,761</b>	<b>8,755,668</b>

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

Host Nation	2018 Received	2018 Paid	2018 Net Rec./(Paid)	2017 Received	2017 Paid	2017 Net Rec./(Paid)
ACT	20,961	0	20,961	18,384	0	18,384
Albania	478	2,105	(1,627)	478	1,704	(1,226)
Belgium	825,154	1,510,906	(685,753)	815,955	1,495,101	(679,147)
Bulgaria	58,156	24,414	33,742	56,495	22,329	34,166
Canada	79,670	1,936,328	(1,856,658)	79,670	1,897,624	(1,817,954)
Croatia	6,971	7,545	(574)	5,655	6,142	(486)
Czech Republic	132,931	100,288	32,644	131,815	94,006	37,810
Denmark	710,251	1,100,692	(390,441)	709,332	1,090,337	(381,005)
Estonia	44,391	7,785	36,606	38,285	7,109	31,176
France	1,002,483	1,780,428	(777,945)	1,002,505	1,720,940	(718,435)
Germany	5,849,325	7,606,096	(1,756,771)	5,807,746	7,499,785	(1,692,039)
Greece	1,862,278	304,851	1,557,427	1,850,146	297,706	1,552,440
Hungary	180,449	73,416	107,033	149,589	68,790	80,799
Iceland	13,632	1,336	12,296	7,935	1,089	6,846
Italy	2,330,660	2,742,504	(411,844)	2,307,353	2,686,150	(378,797)
Latvia	42,448	10,233	32,215	39,656	9,322	30,333
Lithuania	46,467	15,418	31,049	44,886	14,026	30,860
Luxemburg	59,204	66,195	(6,991)	59,204	65,203	(5,999)
Montenegro	0	41	(41)	0	0	(0)
NADGE	12,997	0	12,997	12,997	0	12,997
NCI Agency (1)	6,344,530	0	6,344,530	6,083,707	0	6,083,707
Netherlands	949,066	1,588,329	(639,262)	935,716	1,565,792	(630,076)
Norway	2,162,756	925,176	1,237,580	2,137,022	913,924	1,223,098
NSP Agency	1,200,698	0	1,200,698	1,137,313	0	1,137,313
Poland	457,532	274,493	183,039	438,113	257,049	181,064
Portugal	604,470	120,052	484,418	584,357	114,560	469,797
Romania	52,695	79,488	(26,793)	46,098	72,613	(26,515)
SHAPE	980,998	0	980,998	978,627	0	978,627
Slovakia	40,268	32,863	7,405	39,952	29,950	10,002
Slovenia	37,445	18,162	19,283	37,253	16,703	20,550
Spain	238,081	447,517	(209,436)	238,097	414,772	(176,675)
Turkey	4,513,857	452,338	4,061,519	4,505,731	429,940	4,075,790
United Kingdom	2,572,400	4,259,807	(1,687,406)	2,537,348	4,184,418	(1,647,071)
United States	1,460,118	9,405,014	(7,944,896)	1,394,575	9,254,910	(7,860,336)
<b>Total</b>	<b>34,893,818</b>	<b>34,893,818</b>	<b>0</b>	<b>34,231,994</b>	<b>34,231,994</b>	<b>0</b>

(1) NCIA cumulative amount received includes NC3A & NACMA Administrative Budgets (KEUR 328,415 & KEUR 221,416).

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

Host Nation	COFFA Value	LCE	Expenditure	LCE RTBS
ACT	3,051	26,955	21,068	5,887
Albania	0	53,260	478	52,782
Belgium	673,701	1,128,126	835,108	293,018
Bulgaria	15,991	132,396	58,156	74,240
Canada	79,671	94,698	79,671	15,027
Croatia	0	27,859	6,865	20,994
Czech Republic	60,534	148,282	132,931	15,351
Denmark	715,676	780,668	736,281	44,387
Estonia	32,365	117,022	43,913	73,108
France	960,307	1,076,438	1,015,148	61,290
Germany	5,471,143	6,287,316	5,962,130	325,186
Greece	1,459,759	2,208,381	1,892,880	315,501
Hungary	68,980	280,558	180,687	99,871
Iceland	0	41,581	16,919	24,662
Italy	1,855,572	2,675,228	2,373,293	301,935
Latvia	20,869	89,646	42,305	47,341
Lithuania	36,892	124,985	45,224	79,762
Luxemburg	59,204	59,204	59,204	0
Montenegro	0	0	0	0
NADGE	33,228	33,228	33,228	0
NCI Agency	3,409,107	10,440,672	6,346,776	4,093,896
Netherlands	868,194	1,050,623	960,816	89,807
Norway	2,103,440	2,303,773	2,209,063	94,710
NSP Agency	626,873	1,841,401	1,179,251	662,150
Poland	220,047	772,856	458,375	314,480
Portugal	562,689	646,173	604,705	41,469
Romania	4,441	179,801	52,703	127,098
SHAPE	876,161	982,313	980,343	1,970
Slovakia	6,062	67,827	39,085	28,742
Slovenia	6,376	57,535	37,418	20,118
Spain	164,672	324,745	238,512	86,232
Turkey	4,002,739	5,311,677	4,574,440	737,237
United Kingdom	2,479,791	2,856,061	2,556,416	299,645
United States	1,271,526	1,766,142	1,458,369	307,773
<b>Total</b>	<b>28,149,056</b>	<b>43,987,429</b>	<b>35,231,761</b>	<b>8,755,668</b>

### PART III – Additional Information

#### 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	6,273	6,273	2,720	23,440
Estonia	52,733	46,906	0	39,642	39,526	11,836	35,070
Hungary	47,113	39,366	0	4,560	4,560	2,628	36,738
Latvia	70,366	26,043	0	8,474	8,474	5,245	20,798
Lithuania	44,321	32,978	0	1,250	1,250	510	32,468
NCI Agency	7,951	7,556	0	10,828	10,828	7,517	38
NSP Agency	0	45,668	0	20,099	20,099	22	45,646
Poland	114,919	110,312	0	105,722	105,722	2,295	108,017
Romania	56,625	43,474	785	38,657	38,657	5,341	38,132
Slovakia	9,565	5,925	0	3,876	3,876	3,876	2,049
United States	321,815	266,140	152,663	78,660	78,660	75,476	190,664
<b>Total</b>	<b>754,178</b>	<b>650,526</b>	<b>153,447</b>	<b>318,040</b>	<b>317,924</b>	<b>117,467</b>	<b>533,060</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	1,494,600	0	1,504,808	1,504,808	1,493,270	1,331
Balkans	682,227	665,494	0	661,202	661,084	641,680	23,813
NTM-I	34,643	28,148	0	30,896	30,896	28,148	0
NATO Support to Pakistan	341	321	0	321	321	321	0
Operation Ocean Shield	3,960	3,545	0	3,547	3,547	1,559	1,986
Operation Active Endeavor	17,794	16,452	0	17,603	17,603	16,233	219
RS - Resolute Support	166,416	348,407	39,930	318,740	318,740	67,786	280,621
<b>Total</b>	<b>2,481,313</b>	<b>2,556,967</b>	<b>39,930</b>	<b>2,537,117</b>	<b>2,537,000</b>	<b>2,248,997</b>	<b>307,971</b>

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. Note: In the fourth quarter 2018 NSIP call for contributions, NSIP recouped KEUR 1,283 from ACO that had previously been generated by currency fluctuations.

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 2018, 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 authorised 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 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>	<p>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.</p> <p>The COFFA formally relieves HN of any further accountability for funds authorised and expended.</p>

<b>Common Funded Integrated Resources Information System (CIRIS)</b>	This is the NSIP database where any information concerning the program is stored.
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<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-authorisation</b>	A de-authorisation 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 authorisations 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 authorisation 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>	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. 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.
<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 1,500,000S.
<b>Physical scope (including released and cancelled)</b>	The physical scope describes the exact nature and range of the work supported for authorisation by the IC with a breakdown of the cost estimate by items as set out in the screening document prepared by the IS. Released Physical scope: when financial scope has been authorised granting contracting authority. Cancelled Physical scope: when physical scope is no longer required.

<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 authorised 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.