

N A T O

SECURITY INVESTMENT PROGRAMME

FINANCIAL ACTIVITY

AS AT 31 DECEMBER 2021

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PART I – Annual NSIP Financial Activity

1. Annual Financial Activity

1.1. Annual Financial Activity Summary (in EUR thousands):

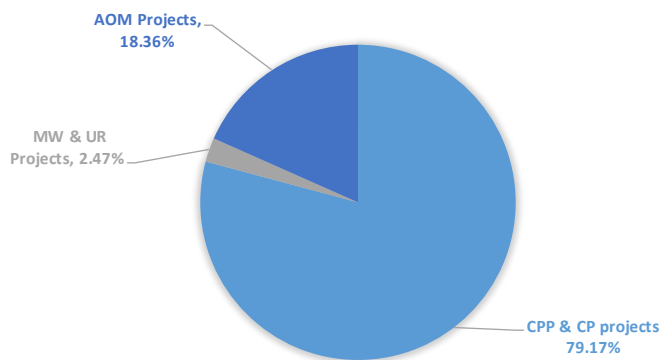
This table represents an overview of the financial activity of NSIP during the year ending 31 December 2020 and 31 December 2021 with details provided in the following pages as applicable:

Description of Annual Activity	2021	2020
Programming:		
North Atlantic Council (NAC)	405,324	77,353
Investment Committee (IC) (Delegated Authority) ⁽²⁾	106,642	241,190
TOTAL PROGRAMMING	511,966	318,543
Authorisations:		
Physical Scope	550,353	(6,026)
Net Authorised Scope	732,680	709,459
Net Authorised Fund	842,984	789,344
Financial Implementation:		
Approved Forecasts	742,914	650,155
Expenditures	(713,673)	(635,593)
Excess/(Shortfall) Forecasts	29,241	14,562
MTRP Input for Approved Programme	1,461,087	1,341,658
<u>Expenditure Rates:</u>		
Expenditures / Approved Forecasts	96%	98%
Expenditures / MTRP Input for Approved Programme	49%	47%
Contributions:		
Approved Ceiling (a)	710,000	710,000
Approved Forecasts	742,914	650,155
Q3 & Q4 of Prior Year - Excess/(Shortfall) Forecasts	23,915	914
Q1 & Q2 of Current Year - Excess/(Shortfall) Forecasts	(946)	(9,353)
Amount of Contribution Called (b) (Approved Forecast MINUS Excess Forecast PLUS Shortfall Forecast)	719,945	658,594
Reimbursement from NCIA to the NSIP (c)	9,945	
Amount of Contributions not Called (a) - (b) + (c)	0	51,406
Final Amount for IC Discharge:		
Number of Projects Completed	93	21
Financial Value	133,491	86,251

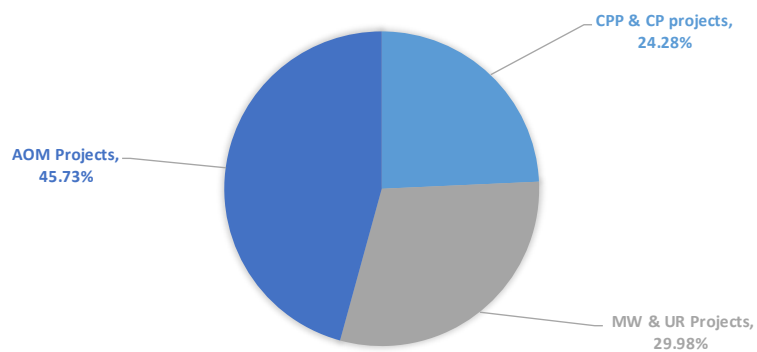
1.2. Annual Programming by Programming Type (in EUR thousands)

Programming Type	2021	2020	Approval Reference
Programmed by the NAC (Capability Program Plans & Capability Packages)			
CP 9A0101-ADD1 - Wireless Communication Transmission Services (Other than SATCOM)	8,157		C-M(2021)0003
CPP 001 Revised - NATO Special Operations Forces Command and Control Communication and Information Systems (SOF C2 CIS)	361,768		C-M(2021)0024
CPP - Day Zero Secure CIS Connectivity (DZSC) between NATO and Finland and NATO and Sweden	14,252		C-M(2021)0026
CPP 5A1201 - Future Land Command and Control Information Capability (FLC2 IS)	21,147		C-M(2021)0027
Sub-total	405,324	77,353	
Programmed by the IC (Delegated Authority) ⁽²⁾			
Alliance Operations and Missions	12,669	95,506	
Minor Works and Urgent Requirements	93,973	145,683	
Sub-total	106,642	241,190	
Total	511,966	318,543	

PROGRAMMING 2021: EUR 512 MILLION



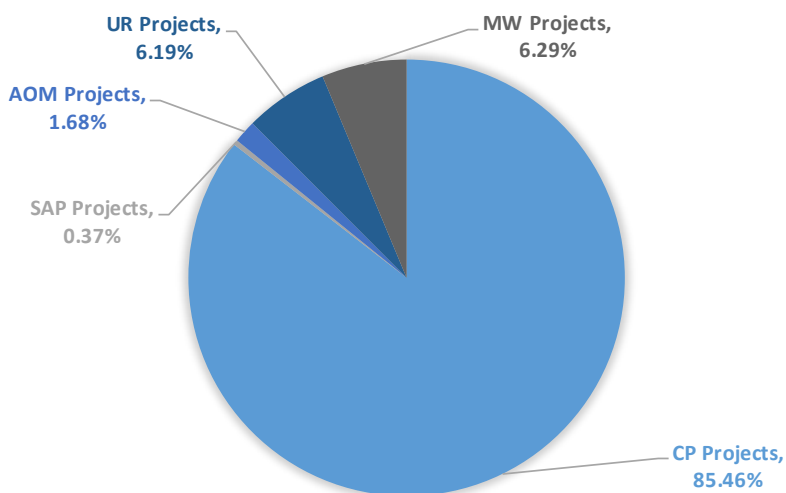
PROGRAMMING 2020: EUR 318.5 MILLION



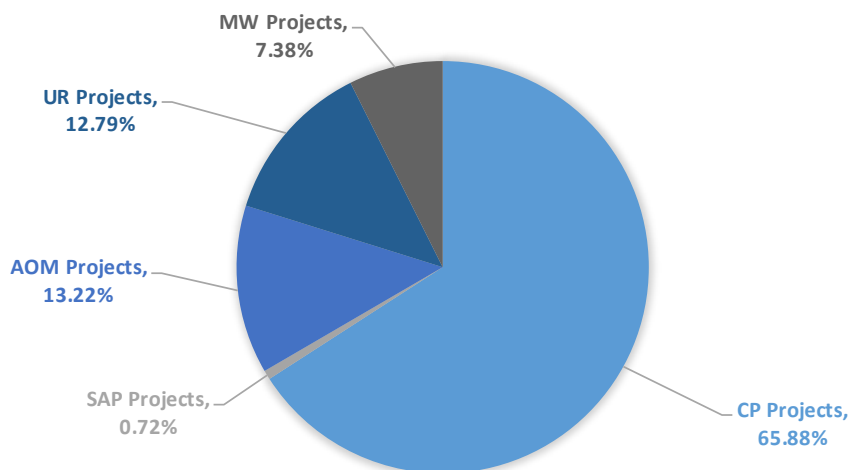
1.3. Annual Authorisations (Authorised Scope) by Programming Type (in EUR thousands)

Authorised Scope	2021	2020
Capability Package (CP and CPP) Projects	643,439	475,847
Stand Alone Projects (SAP)	2,798	5,211
AOM Projects	12,669	95,506
UR Projects	46,613	92,399
MW Projects	47,360	53,284
Total	752,880	722,248
Deauthorised Scope	(20,199)	(12,789)
Net Authorised Scope	732,680	709,459

AUTHORISATIONS 2021: EUR 752.9 MILLION



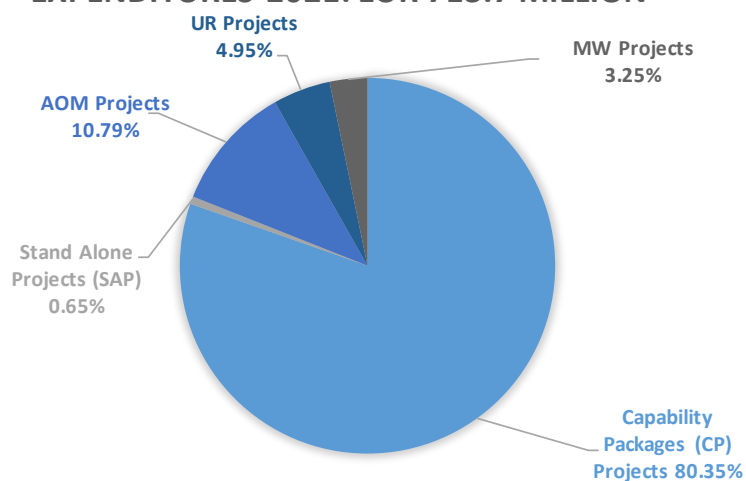
AUTHORISATIONS 2020: EUR 722.2 MILLION



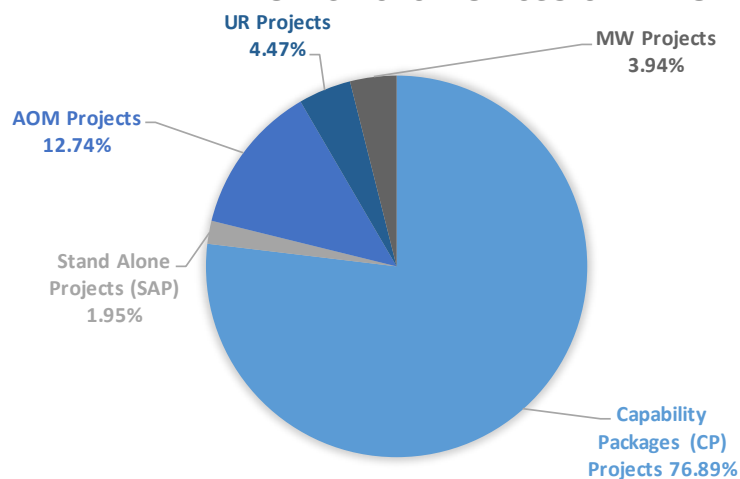
1.4. Annual Expenditures per Programming Type (in EUR thousands)

Expenditures	2021	2020
Capability Packages (CP) Projects	573,458	488,730
Stand Alone Projects (SAP)	4,663	12,411
AOM Projects	77,026	81,003
UR Projects	35,358	28,424
MW Projects	23,169	25,025
Total	713,673	635,593

EXPENDITURES 2021: EUR 713.7 MILLION



EXPENDITURES 2020: EUR 635.6 MILLION



1.5. Virtually Completed Projects Versus Annual Discharge (in EUR thousands)

Year	Expenditures on Virtually Completed Projects (As at 1st Jan)	Final Amount for IC Discharge/COFFA*	Ratio
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%
2020	5,954,326	86,251	1.45%
2021	6,556,631	133,491	2.04%

* COFFA: Certificate of Final Financial Acceptance

2. Annual Financial Activity by Host Nation

2.1. Annual Programming & Authorisations (Scope) by Host Nation (in EUR thousands)

Host Nation	2021 Programming	2021 Authorisations	2020 ⁽²⁾ Programming	2020 Authorisations
ACT	926	926	1,149	6,486
Albania	0	2,383	0	0
Belgium	6,799	49,336	14,154	17,147
Bulgaria	0	51,152	0	4,643
Canada	0	8,759	0	0
Croatia	0	2,635	0	0
Czech Republic	211	124	267	6,204
Denmark	2	3,237	2,497	13,824
Estonia	0	1,574	0	2,515
France	0	2,578	0	971
Germany	28,089	34,677	22,263	37,774
Greece	8,603	20,748	23,870	27,749
Hungary	0	30,762	0	1,096
Iceland	0	0	0	3,677
Italy	4,610	47,353	13,334	23,913
Latvia	0	50	0	65
Lithuania	12,590	14,074	378	1,376
Luxembourg	0	0	0	0
Montenegro	0	0	0	0
NCI Agency	401,711	210,892	132,109	224,901
Netherlands	846	2,697	19,778	20,527
Norway	9,671	56,150	2,605	19,083
NSP Agency	26,418	112,258	74,025	164,158
Poland	1,128	17,835	0	43,930
Portugal	767	(82)	1,540	1,540
Romania	4,153	3,068	0	9,572
SHAPE	5,443	12,700	1,660	2,461
Slovakia	0	2,814	349	349
Slovenia	0	2,898	0	1,751
Spain	0	10,275	0	233
Türkiye	0	9,163	7,726	38,636
United Kingdom	0	0	837	837
United States	0	21,648	0	34,042
Total	511,966	732,680	318,543	709,459

2.2. Annual Financial Implementation by Host Nation (in EUR thousands)

Host Nation	MTRP Input for Approved Programme Only	2021 Approved Forecasts	2021 Expenditures	Excess/ (Shortfall) to MTRP Input	Expenditures vs. MTRP	Excess/ (Shortfall) to Approved Forecasts	Expenditures vs. Approved Forecasts
	(a)	(b)	(c)	= (a) - (c)	= (c) / (a)	= (b) - (c)	= (c) / (b)
ACT	473	1,335	1,335	(862)	282%	0	100%
Albania	231	0	0	231	0%	0	0%
Belgium	21,355	18,567	18,324	3,032	86%	243	99%
Bulgaria	26,270	8,541	8,615	17,656	33%	(74)	101%
Canada	2,244	0	0	2,244	0%	0	0%
Croatia	3,524	0	0	3,524	0%	0	0%
Czech Republic	11,525	591	616	10,909	5%	(24)	104%
Denmark	7,622	1,546	1,518	6,104	20%	28	98%
Estonia	13,030	2,502	1,827	11,204	14%	676	73%
France	15,612	3,414	3,414	12,198	0%	0	100%
Germany	61,536	30,576	29,761	31,776	0%	816	97%
Greece	62,597	5,939	7,349	55,247	0%	(1,410)	124%
Hungary	32,957	3,065	3,239	29,718	0%	(175)	106%
Iceland	2,525	1,172	893	1,632	0%	279	76%
Italy	68,499	35,210	36,276	32,223	0%	(1,066)	103%
Latvia	16,155	708	590	15,565	0%	118	83%
Lithuania	9,168	2,220	1,091	8,078	12%	1,129	49%
Luxembourg	0	0	0	0	0%	0	0%
Montenegro	0	0	0	0	0%	0	0%
NCI Agency	428,557	290,151	249,943	178,614	58%	40,208	86%
Netherlands	14,219	7,144	11,854	2,365	83%	(4,710)	166%
Norway	25,940	24,843	33,927	(7,986)	131%	(9,084)	137%
NSP Agency	266,264	108,669	124,950	141,314	47%	(16,281)	115%
Poland	84,352	52,068	51,050	33,302	61%	1,018	98%
Portugal	4,267	1,114	162	4,105	4%	952	15%
Romania	17,142	17,051	13,028	4,114	76%	4,023	76%
SHAPE	716	0	2,901	(2,185)	405%	(2,901)	0%
Slovakia	8,565	412	556	8,009	6%	(144)	135%
Slovenia	1,769	698	(267)	2,037	-15%	965	-38%
Spain	21,115	246	468	20,647	2%	(222)	190%
Türkiye	37,934	16,454	10,306	27,629	27%	6,148	63%
United Kingdom	68,811	6,834	790	68,021	1%	6,044	12%
United States	126,112	101,845	99,159	26,952	79%	2,685	97%
Total 2021	1,461,087	742,914	713,673	747,414	49%	29,241	96%
Total 2020	1,341,658	650,155	635,593	706,065	47%	14,562	98%

2.3. Annual Contribution by Host Nation (in EUR thousands)

Host Nation	2021 Received	2021 Paid	2021 Net Received/ (Paid)	2020 Received	2020 Paid	2020 Net Received/ (Paid)
ACT	1,335	0	1,335	3,945	0	3,945
Albania	0	525	(525)	92	472	(380)
Belgium	18,776	15,640	3,136	7,531	14,359	(6,828)
Bulgaria	8,541	2,419	6,122	8,654	2,194	6,459
Canada	0	44,793	(44,793)	0	40,075	(40,075)
Croatia	0	1,786	(1,786)	463	1,617	(1,153)
Czech Republic	526	6,989	(6,463)	64	6,311	(6,247)
Denmark	1,278	9,978	(8,700)	4,528	9,197	(4,669)
Estonia	2,158	805	1,353	4,819	725	4,093
France	3,414	68,321	(64,907)	2,906	65,165	(62,259)
Germany	29,004	111,871	(82,868)	19,071	101,466	(82,395)
Greece	7,310	7,573	(263)	5,479	6,921	(1,442)
Hungary	3,385	5,098	(1,713)	2,108	4,612	(2,504)
Iceland	543	350	193	8,832	303	8,528
Italy	25,496	60,557	(35,061)	21,039	54,913	(33,874)
Latvia	409	1,062	(654)	1,006	962	44
Lithuania	2,021	1,657	364	1,519	1,493	26
Luxembourg	0	1,097	(1,097)	0	989	(989)
Montenegro	0	96	(96)	0	75	(75)
NCI Agency	237,136	0	237,136	295,210	0	295,210
Netherlands	10,940	23,907	(12,967)	5,981	21,737	(15,756)
North Macedonia	0	85	(85)	0	27	(27)
Norway	31,185	12,208	18,978	11,179	11,030	149
NSP Agency	138,212	0	138,212	99,422	0	99,422
Poland	57,887	19,662	38,226	10,837	17,706	(6,869)
Portugal	(612)	6,573	(7,185)	1,786	5,863	(4,077)
Romania	13,982	8,031	5,951	9,646	7,275	2,371
SHAPE	841	0	841	2,931	0	2,931
Slovakia	412	3,403	(2,991)	7	3,082	(3,075)
Slovenia	(467)	1,604	(2,071)	257	1,472	(1,214)
Spain	(493)	38,616	(39,109)	1,661	34,488	(32,827)
Türkiye	14,452	28,357	(13,905)	13,132	25,182	(12,050)
United Kingdom	7,144	78,376	(71,232)	14,818	71,627	(56,809)
United States	105,133	158,505	(53,373)	99,670	147,256	(47,586)
Total	719,945	719,945	0	658,594	658,594	0

In 2021, the approved ceiling of EUR 710,000 thousand was supplemented by the reimbursement of Miscellaneous Income from NCIA for an amount of EUR 9,945 thousand

2.4. Annual Completed Projects - Discharge of Host Nation (in EUR thousands)

Host Nation	Final Amount for IC Discharge	2021 Financial Scope Deauthorised
Belgium	4,560	457
Czech Republic	10,693	538
Denmark	325	0
Germany	8,368	1,226
Greece	7,883	2
Hungary	4,436	0
Italy	434	0
NCIA	29,320	894
Netherlands	17,063	6,519
Norway	2,243	332
NSPA	34,076	2,393
Poland	2,809	498
Romania	11,192	1,113
Türkiye	91	0
Total	133,491	13,972
During 2020	86,251	5,477

3. Summary of Past 10 Years of Financial Activity (in EUR millions)

Year	Program- ming	Physical Scope	Net Authorised Scope	Net Authorised Funds	Forecasted Expenditure	MTRP Input Auth. Program	Financial Expend. Rate Versus MTRP	Expenditures	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 Previous Year	(12)	(13)	(14)
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 35.5				
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	522.3		700.0	177.7
										2nd half 2019 0.9				
2020	318.5	(6.0)	709.5	789.3	650.2	1,341.7	47%	635.6	98%	1st half 2020 (9.3)	658.6		710.0	51.4
										2nd half 2020 23.9				
2021	497.0	550.4	732.7	843.0	742.9	1,461.1	49%	713.7	96%	1st half 2021 (0.9)	719.9	(9.9)*****	710.0	0
										2nd half 2021 30.2				

* 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 EUR 50 million was not sought.

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

*** Ceiling of EUR 625 million plus EUR 75 million dedicated for RAP projects.

**** Other income in the amount of EUR 8.9 million was recouped from SHAPE during the fourth quarter 2018 Call for Contributions (refer to AC/4(PP)D/27926).

***** Other income in the amount of EUR 9.9 million was recouped from NCIA during the fourth quarter 2021 Call for Contributions (refer to AC/4(PP)D/28321).

PART II – Cumulative Financial Activity

4. Cumulative Financial Activity

4.1. Cumulative Financial Activity Summary (in EUR thousands): This table represents an overview of the NSIP financial activity cumulative through 31 December 2021.

Description of Cumulative Activity	Cumulative 2021	During 2021	Cumulative 2020
Programming:*	44,557,690		44,045,724
North Atlantic Council (NAC)		405,324	
Investment Committee (IC) (Delegated Authority) ⁽²⁾		106,642	
TOTAL PROGRAMMING		511,966	
Authorisations:			
Physical Scope	1,032,935	550,353	482,582
Net Authorised Scope	41,528,609	732,680	40,795,929
Net Authorised Fund	40,515,397	842,984	39,672,414
Financial Implementation:			
Latest Cost Estimate (LCE)**	44,732,972	478,807	44,254,166
Expenditures	37,137,925	713,673	36,424,252
Latest Cost Estimate Remaining to be Spent (LCE RTBS)	7,595,047	(234,867)	7,829,913
Contributions:			
NATO Allies	36,794,617	719,945	36,074,672
Contributions from Historical Agreements***	382,108		382,108
Offset from Contributions from Prior Adjustments****	(8,612)		(8,612)
Shortfall from Second half 2021	(30,188)		(23,915)
Cumulative Expenditures	37,137,925		36,424,252
Others:			
Amounts Due to NSIP by Third Parties	25,142		25,142
Miscellaneous Income Owed to NSIP	(4,237)		11,002
Financial Value of Completed Projects*****	28,777,572	133,491	28,644,783

* The cumulative programming amount in this table do not match data in CIRIS as at December 2021. This is due to a delay in recording the Programming amounts in CIRIS.

** The Latest Cost Estimate is underestimated due to some delay in recording newly programmed projects in CIRIS, and lack of updates by NCIA.

*** Includes historical agreement from Germany, NADGE and Türkiye.

**** Prior adjustments are due to implementation of the International Accounting Unit and the NATO Accounting Unit, plus some minor rounding

***** During 2021, the Financial Value of Completed Projects was reduced by EUR 702 thousand when project 2005/3NB10400-GR-25 was reopened in order to transfer the authorisation to Norway (AC/4(PP)D/28274 - DS(2021)0028).

4.2. Cumulative Financial Activity as at 31 December 2021 by Implementation Stage (in EUR thousands)

Implementation Phase	Programming Amount *	LCE	Physical Scope	Authorised Scope	Authorised Funds	Final Amount for IC Discharge	Expenditures	LCE RTBS
Planning	1,015,440	1,780,463	0	0	0	0	0	1,780,463
Design	1,324,870	2,114,614	752,823	133,073	133,073	0	63,793	2,050,820
Under Implementation	3,222,640	5,274,069	157,199	5,238,087	4,335,683	0	1,548,879	3,725,190
Virtually Completed **	5,549,015	6,786,254	114,150	7,379,878	7,269,069	453,882	6,747,681	38,573
Subtotal Active	11,111,966	15,955,400	1,024,172	12,751,037	11,737,826	453,882	8,360,353	7,595,047
Completed/Discharged	32,693,589	28,777,572	8,763	28,777,572	28,777,572	28,777,572	28,777,572	0
Total	43,805,554	44,732,972	1,032,935	41,528,609	40,515,397	29,231,454	37,137,925	7,595,047

* The cumulative programming amount in this table do not match data in CIRIS as at December 2021. This is due to a delay in recording the Programming amounts in CIRIS.

** The large amount of "Final Amount for IC Discharge" against the Virtually Completed projects i.e **EUR 453,882 thousand** mostly relates to projects audited but not yet included in a list of completed projects because of a modified opinion from IBAN.

Definitions:

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: Expenditures 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 that 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 EUR thousands)

Project Year	Programming Amount *	LCE	Physical Scope	Authorised Scope	Authorised Funds	Expenditures	LCE RTBS	%
Total 02 - 36	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		
38	1,529,075	1,384,459	0	1,684,410	1,382,729	1,384,459		
39	1,561,853	1,227,436	0	1,111,479	1,227,729	1,227,436		
40	1,842,148	1,412,992	0	1,513,006	1,413,054	1,412,992		
41	1,847,881	1,344,611	0	844,510	1,348,221	1,344,611		
42	1,499,673	1,199,696	0	737,289	1,199,035	1,199,696		
43	815,752	903,273	0	387,139	905,929	903,273		
44	656,596	486,618	0	132,504	489,956	486,618		
45	23,897	5,602	0	5,602	5,602	5,602		
Total 37 - 45	11,325,012	9,284,262	0	8,476,385	9,289,669	9,284,262	0	0.00%
1994	1,145,302	1,555,636	24,313	1,584,225	1,579,358	1,484,682		
1995	268,604	332,812	0	333,951	333,951	332,812		
1996	847,430	792,783	0	819,910	805,707	783,107		
1997	784,841	889,203	0	900,174	893,189	866,671		
1998	770,381	769,623	0	803,879	781,254	769,252		
1999	1,586,087	1,502,427	0	1,565,561	1,533,298	1,417,453		
Total 1994 - 99	5,402,645	5,842,486	24,313	6,007,700	5,926,757	5,653,976	188,509	2.48%
2000	483,216	439,425	3,433	449,855	448,399	431,655		
2001	1,225,492	496,841	4,810	548,642	518,341	451,276		
2002	187,032	176,708	6,608	174,399	173,073	163,493		
2003	360,569	402,770	23,639	412,258	407,919	384,655		
2004	315,870	329,960	0	332,160	332,091	329,960		
2005	1,789,512	1,728,944	39,315	1,633,987	1,625,091	1,401,078		
Total 2000 - 05	4,361,691	3,574,649	77,804	3,551,301	3,504,914	3,162,117	412,532	5.43%
2006	661,026	823,937	3,786	836,859	832,090	756,145		
2007	676,466	698,711	8,648	712,677	712,677	498,277		
2008	796,431	672,459	0	686,141	686,141	652,724		
2009	311,269	269,763	0	271,581	271,581	268,352		
2010	207,554	250,336	0	253,011	253,011	250,336		
2011	450,663	595,805	8,934	449,805	448,539	333,579		
Total 2006 - 11	3,103,410	3,311,011	21,367	3,210,075	3,204,040	2,759,413	551,597	7.26%
2012	656,150	787,343	13,750	517,035	493,842	404,473		
2013	659,382	1,264,938	440,557	324,403	319,147	192,544		
2014	707,574	1,166,570	59,811	749,561	749,561	483,463		
2015	261,138	249,150	86,060	227,680	218,921	103,513		
2016	2,803,641	1,518,287	113,760	1,189,432	1,183,929	664,683		
2017	434,224	458,163	17,836	315,668	315,668	148,017		
Total 2012 - 17	5,522,110	5,444,451	731,775	3,323,778	3,281,068	1,996,693	3,447,758	45.39%
2018	1,915,638	1,946,265	90,105	1,069,019	1,069,019	499,941		
2019	185,407	262,351	50,556	216,451	207,624	73,442		
2020	77,455	1,127,660	10,623	1,043,453	218,646	77,509		
2021	500	365,890	26,393	240,966	240,948	56,849		
2022 **	0	226	0	264	264	0		
Total 2018 - 22	2,179,000	3,702,392	177,676	2,570,152	1,736,500	707,742	2,994,650	39.43%
Total	43,805,554	44,732,972	1,032,935	41,528,609	40,515,397	37,137,925	7,595,047	100.00%

** The cumulative programming amount in this table do not match data in CIRIS as at December 2021. This is due to a delay in recording the Programming amounts in CIRIS.

* NCIA projects for INMARSAT Services authorised in 2021 for use in 2022

5. Cumulative Financial Activity by Host Nation

5.1. Cumulative Financial Activity by Host Nation (in EUR thousands)

Host Nation	Programming Amount*	LCE	Physical Scope	Authorised Scope	Authorised Funds	Expenditures	LCE RTBS
ACT	52,320	33,292	0	34,541	34,541	29,476	3,816
Albania	46,843	14,473	263	2,981	2,981	586	13,888
Belgium	1,146,155	1,422,112	423,758	964,633	964,633	879,797	542,315
Bulgaria	126,456	152,973	0	128,721	126,528	77,838	75,135
Canada	102,741	88,429	0	88,699	79,940	79,940	8,489
Croatia	7,500	27,545	0	13,787	13,787	9,985	17,561
Czech Republic	169,024	148,350	6,063	148,774	147,634	135,059	13,291
Denmark	808,838	785,823	0	761,619	760,991	742,943	42,880
Estonia	124,525	110,707	0	88,088	87,972	69,977	40,729
France	1,144,681	1,074,373	0	1,029,568	1,029,568	1,025,682	48,691
Germany	5,915,462	6,352,556	0	6,183,991	6,181,095	6,019,915	332,641
Greece	2,126,881	2,190,031	11,494	2,075,092	2,061,640	1,911,348	278,682
Hungary	404,254	263,562	0	220,967	220,967	187,987	75,575
Iceland	41,325	41,326	0	37,095	37,095	36,676	4,650
Italy	3,289,474	2,689,041	36,540	2,618,893	2,605,299	2,426,158	262,883
Latvia	134,627	65,888	6,054	47,265	47,265	45,802	20,086
Lithuania	132,275	122,375	435	68,932	68,932	48,509	73,866
Luxembourg	65,518	59,204	0	59,204	59,204	59,204	0
NCI Agency	10,332,570	10,869,014	430,416	9,101,536	8,187,255	7,105,724	3,763,290
Netherlands	1,152,603	1,054,270	24,763	1,032,840	1,032,840	991,861	62,409
NADGE	0	33,228	0	33,228	33,228	33,228	0
Norway	2,043,863	2,351,421	17,469	2,334,287	2,332,612	2,259,551	91,870
NSP Agency	1,693,872	2,017,713	18,543	2,200,367	2,199,437	1,456,311	561,402
Poland	700,704	785,880	0	794,040	777,816	536,669	249,210
Portugal	563,717	651,318	0	624,103	624,103	611,493	39,825
Romania	184,650	175,268	514	124,448	124,447	85,126	90,143
SHAPE	1,086,259	987,053	10,882	1,007,226	1,007,108	987,053	0
Slovakia	56,925	68,600	86	43,786	43,786	39,695	28,906
Slovenia	88,752	85,000	0	47,208	47,208	39,893	45,108
Spain	489,204	277,582	0	261,087	261,087	239,726	37,856
Türkiye	4,990,267	5,072,483	18,313	4,772,662	4,743,204	4,601,846	470,638
United Kingdom	2,771,992	2,841,142	0	2,774,338	2,772,409	2,669,884	171,258
United States	1,811,280	1,820,941	27,342	1,804,607	1,798,787	1,692,984	127,957
Total	43,805,554	44,732,972	1,032,935	41,528,609	40,515,397	37,137,925	7,595,047

* The cumulative programming amount in this table do not match data in CIRIS as at December 2021. This is due to a delay in recording the Programming amounts in CIRIS

5.2. Cumulative Contributions by Host Nation (in EUR thousands)

HN	2021 Received	2021 Paid	2021 Net Received/(Paid)	2020 Received	2020 Paid
ACT	29,476	0	29,476	28,141	0
Albania	586	3,423	(2,838)	586	2,898
Belgium	869,565	1,553,019	(683,454)	850,789	1,537,379
Bulgaria	77,764	30,768	46,997	69,224	28,349
Canada	79,939	2,051,485	(1,971,547)	79,939	2,006,692
Croatia	9,985	12,069	(2,084)	9,985	10,283
Czech Republic	135,059	118,579	16,480	134,533	111,589
Denmark	717,570	1,127,742	(410,171)	716,292	1,117,764
Estonia	70,344	9,881	60,463	68,185	9,076
France	1,013,017	1,965,916	(952,899)	1,009,603	1,897,595
Germany	5,905,470	7,901,718	(1,996,248)	5,876,467	7,789,847
Greece	1,881,474	324,951	1,556,523	1,874,164	317,378
Hungary	188,004	86,796	101,208	184,619	81,698
Iceland	36,692	2,186	34,506	36,149	1,836
Italy	2,381,154	2,901,776	(520,622)	2,355,658	2,841,219
Latvia	45,802	13,014	32,787	45,393	11,952
Lithuania	49,447	19,726	29,721	47,426	18,069
Luxembourg	59,204	69,056	(9,853)	59,204	67,959
Montenegro	0	250	(250)	0	154
NCI Agency *	7,113,630	0	7,113,630	6,876,495	0
Netherlands	979,985	1,651,440	(671,456)	969,045	1,627,533
NADGE	12,997	0	12,997	12,997	0
North Macedonia	0	111	(111)	0	27
Norway	2,208,552	957,107	1,251,445	2,177,366	944,899
NSP Agency	1,466,542	0	1,466,542	1,328,330	0
Poland	543,598	325,733	217,865	485,711	306,071
Portugal	611,976	136,831	475,145	612,588	130,257
Romania	86,080	100,535	(14,455)	72,098	92,504
SHAPE	985,869	0	985,869	985,028	0
Slovakia	39,551	41,773	(2,222)	39,139	38,370
Slovenia	39,893	22,454	17,438	40,360	20,850
Spain	239,757	546,730	(306,973)	240,250	508,114
Türkiye	4,543,511	523,664	4,019,847	4,529,059	495,308
United Kingdom	2,675,940	4,468,252	(1,792,312)	2,668,796	4,389,876
United States	1,696,187	9,827,631	(8,131,444)	1,591,054	9,669,126
Total	36,794,617	36,794,617		36,074,672	36,074,672

* includes NC3A & NACMA Administrative Budgets (EUR 328,415 thousand & EUR 257,780 thousand)

5.3. Cumulative Financially Completed/Discharged Projects: Latest Cost Estimate Expenditure and LCE Remaining to be Spent by Host Nation (in EUR thousands)

Host Nation	Final Amount for IC Discharge	LCE	Expenditures	LCE RTBS
ACT	3,051	33,292	29,476	3,816
Albania	0	14,473	586	13,888
Belgium	705,291	1,422,112	879,797	542,315
Bulgaria	15,991	152,973	77,838	75,135
Canada	79,671	88,429	79,940	8,489
Croatia	0	27,545	9,985	17,561
Czech Republic	71,705	148,350	135,059	13,291
Denmark	723,242	785,823	742,943	42,880
Estonia	32,365	110,707	69,977	40,729
France	960,307	1,074,373	1,025,682	48,691
Germany	5,502,988	6,352,556	6,019,915	332,641
Greece	1,471,522	2,190,031	1,911,348	278,682
Hungary	108,964	263,562	187,987	75,575
Iceland	0	41,326	36,676	4,650
Italy	1,884,769	2,689,041	2,426,158	262,883
Latvia	20,869	65,888	45,802	20,086
Lithuania	36,892	122,375	48,509	73,866
Luxembourg	59,204	59,204	59,204	0
NCI Agency	3,532,910	10,869,014	7,105,724	3,763,290
Netherlands	888,101	1,054,270	991,861	62,409
NADGE	33,228	33,228	33,228	0
Norway	2,112,718	2,351,421	2,259,551	91,870
NSP Agency	873,653	2,017,713	1,456,311	561,402
Poland	222,855	785,880	536,669	249,210
Portugal	562,689	651,318	611,493	39,825
Romania	15,633	175,268	85,126	90,143
SHAPE	871,947	987,053	987,053	0
Slovakia	31,656	68,600	39,695	28,906
Slovenia	6,376	85,000	39,893	45,108
Spain	166,355	277,582	239,726	37,856
Türkiye	4,027,073	5,072,483	4,601,846	470,638
United Kingdom	2,482,238	2,841,142	2,669,884	171,258
United States	1,273,310	1,820,941	1,692,984	127,957
Total	28,777,572	44,732,972	37,137,925	7,595,047

**6. Readiness Action Plan: Cumulative Financial Activity by Host Nations
(in EUR thousands)**

Host Nation	Programmed Amount	LCE	Physical Scope	Authorised Scope	Authorised Funds	Expenditure	LCE RTBS
Bulgaria	28,770	31,317	-	11,992	11,992	10,126	21,191
Estonia	52,733	51,658	-	42,088	41,971	33,931	17,727
Hungary	47,113	31,708	-	35,348	35,348	6,556	25,152
Latvia	70,366	10,331	-	8,992	8,992	8,362	1,969
Lithuania	44,321	12,628	-	4,071	4,071	2,704	9,923
NCI Agency	7,951	7,517	-	10,260	10,260	7,517	-
NSP Agency	-	79,158	917	87,939	87,939	21,307	57,851
Poland	114,919	124,656	-	139,742	139,742	37,505	87,151
Romania	56,625	37,117	514	44,034	44,034	26,693	10,424
Slovakia	9,565	5,497	-	3,876	3,876	3,876	1,621
United States	321,815	287,349	-	304,576	304,576	242,952	44,397
Total	754,178	678,936	1,431	692,919	692,803	401,529	277,406

PART III – Additional Information

7. Miscellaneous Income Owed to NSIP (in EUR thousands)

Funding provided to Agencies & Strategic Commands may accumulate positive or negative interest before it is expended, as well as Profits and Losses due to rates of exchange. These amounts owed to NSIP are used to offset future calls for contributions. In 2021 the Staff called from the NCI Agency EUR 9.9 million in profits and losses due to rates of exchange and interests received on bank deposits for the period 2007-2015 (AC/4(PP)D/28321 Call for Contributions for the Fourth Quarter 2021). There is a remaining amount of EUR 197 thousand to be returned from the year 2015. The table below displays the amounts per year up to 2020:

Year	NCIA	Reimbursed in Q4/2021	Miscellaneous Income
2007	3,020	(2,160)*	0
2008	(87)	87	0
2009	(697)	697	0
2010	2,586	(2,586)	0
2011	(1,733)	1,733	0
2012	3,860	(3,860)	0
2013	(1,213)	1,213	0
2014	1,444	(1,444)	0
2015	3,823	(3,626)	197
2016	(2,330)	0	(2,330)
2017	(2,065)	0	(2,065)
2018	82	0	82
2019	173	0	173
2020	(294)	0	(294)
Total	6,568	(9,945)	(4,237)

* the amount reimbursed is reduced by EUR 860 thousand that corresponds to the amount used by NCIA to finance her Administrative Budget (AC/4-N(2017)0015-COR2)

7.1. NSPA has not submitted any amounts since 2003 neither has SHAPE since 2016. SACT, having a low level of NSIP project implementation, has never submitted any return.

8. Amounts Prefinanced for Third Parties Due to NSIP

As at 31 December 2021, the amounts to be reimbursed to NSIP of EUR 26,808 thousand are as follows:

Non-Alliance Operations and Missions:

EUR 5,954 thousand	for New Command Structures "AFSOUTH 2000";
EUR 7,340 thousand	for NATO Underwater Research Centre;
<u>EUR 1,152 thousand</u>	for CIS from CP 9C0120 supporting the International Staff (IS)
EUR 14,447 thousand	Sub 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. Refer to BC-D(2017)0288 for additional information.

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. Refer to AC/4(PP)D/27926 for additional information.

CIS from CP 9C0120 supporting the International Staff (IS)

The balance owed to NSIP relates to the scope from CP 9C0120 projects supporting the International Staff (IS) with reimbursement from the Civil Budget (CB).

Alliance Operations and Missions

EUR 6,261 thousand	for CIS Kandahar Airfield
<u>EUR 6,100 thousand</u>	for Civil works for HQ ISAF Joint Command - non-CE functions
EUR 12,361 thousand	Sub Total

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.

Civil works for HQ ISAF Joint Command - non-CE functions

The balance owed to NSIP relates to the cost of NSIP infrastructure associated with non-CE functions

NSIP GLOSSARY OF TERMS

Alliance Operations and Missions (AOM)	Alliance Operations and Missions Requirement is the military capability NATO needs to be able to accomplish its missions and operations.
Audit - Project	the International Board of Auditors for NATO (IBAN) is mandated to audit NSIP Projects: “To provide independent assurance and advice to the Council and, through their Permanent Representatives, the Governments of member countries that [...] the expenditures incurred by member countries (Host Nations) or NATO bodies in respect of the NSIP have been carried out in compliance with the regulations in force (NSIP audit).”
Authorised Scope	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 physical scope , and the amount of funds the Host Nation may commit (“how much”) is known as the financial scope .
Authorised Funds	The maximum amount of funds a Host Nation is allowed to spend.
Call for Contributions (CfC)	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.
Capability Package (CP)	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. An approval of a Capability Package results in the programming of common funds needed for NSIP projects proposed in the CP.
Capability Programme Plan (CPP)	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.
Capability Package Implementation Plan (PIP)	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.
Financial Value for Discharge of Host Nation (HN)	Independent External Auditor’s Report to Council by delegation to the Investment Committee (audit of expenditures presented in a Cost Statement) in carrying out its role in discharging Host Nations.
Common Funded Integrated Resources Information System (CIRIS)	This is the database where any information concerning the NATO Security Investment Programme is stored.
Common Funding (CF)	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.
Completed Project	Formerly, financially completed projects received a COFFA from the IBAN; currently the list of completed projects is presented to the IC for discharging Host Nations.
Contributions	Contributions, as approved by the IC, are the amounts paid and received by the participating nations in accordance with the agreed cost sharing arrangements.

Contribution Ceiling	The contribution ceiling is the NAC-approved upper limit on the funds to be contributed by the member nations during a calendar year.
Deauthorisation	A deauthorisation is the reduction of scope and/or funds within a project.
Decision Sheets	Decision sheets record the decisions reached by a committee/board.
Excess/Shortfall	Difference between the forecasts paid and the actual expenditure reported by Host Nation for the same period. This was previously referred as carry forward.
Expenditures	Level of expenditure incurred for the implementation of an NSIP funded project.
Expenditure Rate	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.
Financial Increments	For a large project, the IC may initially authorise 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.
Forecasts	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).
Host Nation (HN)	Ally or Agency or Strategic Command receiving the authorization and therefore responsible and accountable for the implementation of the NSIP.
International Board of Auditors for NATO (IBAN)	The IBAN is the independent, external audit body of NATO.
Investment Committee (IC)	The Investment Committee is one of NATO's Resource Committees and responsible for the implementation of the NSIP, either from Capability packages and Capability Programme Plan as screened by the RPPB and approved by the NAC or from the delegated authority granted to IC for Alliance Operations & Missions, Minor Works and Urgent Requirements.
Latest Cost Estimate (LCE)	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.
Latest Cost Estimate (LCE) Remaining to be Spent (RTBS)	This is the amount of LCE unspent i.e. Latest Cost Estimate minus Expenditures
Lump Sum	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.
Lump Sum conversion	Process of converting a normal authorization into a lump sum due to lack of documentation or in the framework of accelerated closure. These lump sum conversions should now only occur after the project had been presented for audit to IBAN. NO LONGER IN USE BY THE INVESTMENT COMMITTEE
Medium Term Resource Plan (MTRP)	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 workforce. 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.

Minor Work	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 2,000,000
Physical scope (including released and cancelled)	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. Released Physical scope: when financial scope has been authorized granting contracting authority. Cancelled Physical scope: when physical scope is no longer required.
Prefinancing	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”.
Programming	There are few types of programming for a project. The CP, CPP and SAP project process follow the same format of programming. The CPs, CPPs 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 authorization against the project.
Requirement Area	Grouping of NATO strategic objectives
Stand Alone Project (SAP)	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 programme 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.
Urgent Requirement (UR)	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.
Virtually completed projects	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.