2023 MILITARY BUDGET RECOMMENDATIONS

EXECUTIVE SUMMARY

1.   The 2023 Military Budget recommended for Council agreement take into account the security environment, the ceilings and the other provisions set out in the 2023-2027 Common Funded Resource Plan (CFRP). The recommended budgets for 2023 are shown in the Table 1.

Table 1: Military Budget by Budget Group (EUR @ 01/01/2022)

Budget Group	2023 Ceiling	2023 Recommended[a]	Estimated net contributions for 2023[b]
AOM	14,559,000	48,830,153	4,884,402
NAEW&CF	324,707,000	339,707,000	324,707,000
NAGSF	234,267,000	240,667,000	234,267,000
NCSEP	1,084,746,000	1,139,442,541	1,084,746,000
NCS-A	30,777,000	42,864,509	30,777,000
PENSIONS	143,550,000	152,850,000	143,550,000
TOTAL	**1,832,606,000**	**1,964,361,202**	**1,822,931,401**

(a) The gap between the ceiling and recommended amounts will be covered by in-year mitigation measures (see Appendix 3)

(b) These estimates are subject to change after the Financial Statements have been made available

2.   NATO's Military Budget delivers to the 2022 Strategic Concept[1]. This Concept describes NATO's three essential core tasks - deterrence and defence, crisis prevention and management and cooperative security. It emphasises national and collective resilience that is critical to the core tasks and underpins NATO's efforts to safeguard NATO nations, societies and shared values. It also emphasises the cross-cutting importance of investing in technological innovation and integrating climate change, human security and the Women, Peace and Security agenda across all our core tasks.

3.   Over the last decade, NATO has undergone pivotal shifts. Since 2022 and the Russian Federation's war of aggression against Ukraine, the Alliance has faced a critical time for security and international peace and stability. A series of decisions by Heads of State and Government (HOSGs) at the 2021 Brussels Summit and the 2022 Madrid Summit shaped the Alliance's politico-military priorities and set a higher level of ambition. This document acts as one of the vehicles to turn the Alliance's level of ambition, priorities and HOSG' decisions on common funding into action.

4.   The Military Budget encompasses a number of Budget Groups that deliver capabilities and policies to ensure that NATO's defence and deterrence, as well as crisis management abilities, are sufficiently well equipped to face today's threats. The Military Budget also includes activities to promote international security through cooperation, including arms control, disarmament and non-proliferation efforts, significantly enhancing its partnerships and NATO's open door policy for all European democracies which share the values of the Alliance. Additionally, the Military Budget includes activities to support reform and transformation processes.

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[1]   NATO Summit Madrid, 29th of June 2022.

5.	For 2023 the Budget Holders requested EUR 1,773 million of requirements supporting "mainstream"[2] activities and EUR 204.9 million for the additional NATO 2030-related requirements supporting the implementation of the NATO 2030 Agenda agreed at the 2021 Brussels Summit. The BC screened the requested activities and have recommended a total amount of EUR 1,964 million of which EUR 1,776 million requirements support mainstream activities and EUR 188.5 million support the 2030 Agenda. The BC acknowledges the scale of the efforts made by the Budget Holders in developing and prioritising the additional NATO 2030-related requirements, while complying with the timely submission of the 2023 budgets.

6.	The recommended budget for 2023 takes account of uncommitted appropriations in 2022 that have been specially carried forward from 2022 to 2023, in a total amount of EUR 101.4 million and will be closely monitored during 2023 to ensure sufficiency in carrying out the agreed level of activities and missions.

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[2]	Excluding the requirements that were the basis for additional common funding endorsed at the Madrid Summit.