NATO OTAN

The Secretary General's
Annual Report | 2016

Jens Stoltenberg

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FOREWORD

At no time since the end of the Cold War has the NATO Alliance faced greater challenges to our security than it does today.

But NATO is the most successful alliance in history because it has been able to change as the world has changed. For the first 40 years of its life, the Alliance's focus was collective defence. When the Berlin Wall came down, our focus shifted to crisis management beyond our borders – intervening to stop large-scale bloodshed and keep the peace in the Western Balkans, fighting terrorism in Afghanistan, and tackling piracy off the Horn of Africa.

Since 2014, we have had to adapt again. Russia's illegal annexation of Crimea, and destabilisation of Eastern Ukraine, as well as ISIL's seizure of Mosul, marked in very different ways the start of a new era. So today, the Alliance must engage in both collective defence and crisis management at the same time.

Allies have implemented the largest reinforcement of our collective defence since the Cold War. In the last two years, NATO's deterrence and defence posture has changed significantly, and the Warsaw Summit in July 2016 was an important landmark in our adaptation.

We have tripled the size of the NATO Response Force to 40,000; established a 5,000 strong Very High Readiness Joint Task Force, ready to move within days; and set up eight small headquarters in the eastern part of our Alliance.

We are currently deploying four multinational battlegroups to Estonia, Latvia, Lithuania and Poland, with contributions from 17 different Allied countries – including Canada and the United States. This is clear evidence of the enduring strength of the transatlantic bond. We are increasing our presence in the southeast of the Alliance, centred on a multinational brigade in Romania. We have also stepped up air policing over the Baltic and Black Sea areas.

An important element of the Alliance's ability to deter, and defend against, any threat is our readiness – and here military exercises are essential. In 2016, NATO conducted 107 exercises of its own and was associated with a further 139 national exercises.

In keeping with our international commitments, we also invited Russian observers to attend ten NATO exercises, as far afield as Greece, Norway and the United Kingdom. At the same time, we have continued our political dialogue with Russia, holding three meetings of the NATO-Russia Council to discuss the situation in and around Ukraine, transparency and risk reduction, and Afghanistan.

Another key concern – and an area in which NATO is making good progress – is cybersecurity. In 2016, NATO dealt with an average of 500 cyber incidents per month, a 60% increase on 2015. Experts defend NATO's networks 24/7, the Alliance has created rapid reaction teams, and at the Warsaw Summit we made a cyber defence pledge which commits Allies to developing the fullest range of defensive capabilities.

Our missile defence programme represents a long-term investment against a long-term threat. The Aegis Ashore missile defence site in Romania is now capable of 24/7 operations – significantly increasing the defensive coverage of NATO territory against short- and medium-range missile attacks from outside the Euro-Atlantic area.

Defence is not just about what we do at home, but also what we do beyond our borders. So we have agreed to strengthen our contributions to project stability in our neighbourhood – including by training local forces to fight terrorism.

In Afghanistan, we have moved from a large combat operation to a train, advise and assist mission – helping to ensure that country never again becomes a safe haven for international terrorists. Building on our training programme for Iraqi officers in Jordan, we have now established a training and capacity-building programme in Iraq itself. We have opened a regional centre in Kuwait, together with our partners in the Gulf. Our Joint Force Command in Naples has provided mobile training courses to Egypt on countering terrorism and to Jordan, Mauritania, Morocco and Tunisia on countering insurgency.

But, as an Alliance, we recognise that we can and should do more – including expanding our efforts to train local forces and build local capacity – and doing so will be an important focus in the years ahead.

Another key focus will be tightening our ties with international partners such as the European Union. The Joint Declaration I signed with Presidents Tusk and Juncker in Warsaw in July raised our

cooperation to a new level. In December, we agreed on 42 different measures to implement that agreement, including on countering hybrid threats, cyber defence, and maritime security.

All of our efforts must be underpinned by adequate resources and fair burden sharing. At the Warsaw Summit, Allies restated their commitment to spend 2% of GDP on defence within a decade – and in 2016, we took a step in the right direction.

Defence spending by European Allies and Canada increased by 3.8%, or around USD 10 billion. Twenty-three Allies increased spending in real terms in 2016. At the same time, ten Allies met the NATO-agreed guideline of spending 20% or more of their defence expenditure on major equipment, up from eight in 2015.
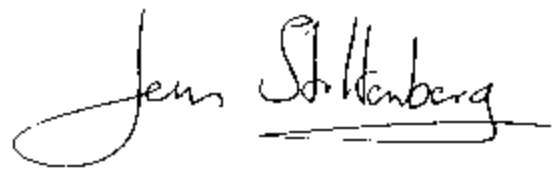
But we still do not have fair burden sharing within our Alliance. Only five Allies met the 2% guideline in 2016. So in 2017, we must redouble our efforts to sustain the positive momentum and speed up national efforts to keep our pledge.

This is essential for the continued strength of the transatlantic bond on which our Alliance is founded. For almost 70 years, the unique partnership between Europe and North America has ensured peace, freedom and prosperity on both sides of the Atlantic. That is an achievement we can never take for granted.

We are a transatlantic alliance of 28 – soon to be 29 – democracies whose strength lies in our shared values – freedom, democracy and the rule of law. Our common endeavour, as stated in our founding treaty, is "the preservation of peace and security".

In a dangerous world, NATO is as essential as ever. At this pivotal time, the Alliance is strong and continues to adapt. That will be at the core of NATO's next Summit in Brussels in late May.

I want, finally, to acknowledge the huge debt of gratitude we owe to the brave men and women from Allied and partner nations who serve in NATO's missions and operations. Their day-to-day commitment to our common purpose and our shared values, no matter the challenge or threat, is what keeps us all safe. It is their courage and their resolve, above all, which make me look to the future with confidence.

Jens Stoltenberg
NATO Secretary General

For All Who Serve

NATO's commitment to safeguarding the freedom and security of all its members is made possible by the service of men and women from across its member and partner countries.

In 2016, tens of thousands of Allied service members were deployed on land, in the air, and at sea to provide for NATO's defence and to project stability beyond NATO's borders. Whether engaged in security operations, military exercises, or training missions, the security and stability of the Alliance would not be possible without their contributions.

NATO recognises the dedication of all who serve. The Alliance owes a debt of gratitude to every man and woman in service for the risks they take and the sacrifices they and their families make while serving NATO's common purposes and values.

DETERRENCE, DEFENCE & DIALOGUE

Preventing conflict means being able to deter and defend against any potential security threat. In recent years, NATO has responded to a series of new challenges with the largest reinforcement of its collective defence in a generation. At the same time, as part of an overall approach to its collective security, the Alliance seeks to improve transparency and reduce the risk of escalation by engaging in meaningful dialogue with Russia.

Protecting our Citizens

For nearly 70 years, NATO has helped to preserve the peace and protect its citizens. Today, NATO is home to almost one billion people, and the Alliance's commitment to their security remains as firm as ever.

NATO began to adapt its defensive posture in 2014 in response to major changes in the security environment – changes that have rendered that environment more complex and demanding. In the face of these changes, Allies agreed at the NATO Summit in Warsaw in July 2016 to further strengthen the Alliance's deterrence and defence posture in order to better protect their citizens and to enhance NATO's efforts to project stability in its neighbourhood.

Key Warsaw decisions related to deterrence and defence include:

- agreement to create a rotational forward presence in the eastern and south-eastern parts of Alliance territory

- adoption of a framework for further adaptation in response to growing challenges and threats emanating from the south

- reconfirmation of the role of nuclear deterrence as a core element of the overall Allied deterrence posture

- commitment to increased resilience and civil preparedness

- a pledge to enhance cyber defence

- resolve to improve strategic awareness and enhance maritime posture

The Warsaw decisions on strengthened deterrence and defence build on the Readiness Action Plan, which was agreed at the Wales Summit in 2014 and has largely been implemented in the years since. The Alliance also agreed to increase its efforts to fight terrorism, including by sharing more information, intelligence, and analysis.

NATO's posture is defensive in nature, proportionate, and consistent with the Alliance's international commitments. It demonstrates an enduring respect for the rules-based European and global security architecture. NATO does not seek confrontation, but will defend all Allies against any threat.

The measures agreed in Wales and Warsaw allow NATO to provide assurance to those Allies who feel at risk from new threats. The measures contribute to a credible deterrence and offer flexibility to Allied decision-makers. NATO's posture deliberately avoids any ambiguity or uncertainty that a potential adversary might seek to exploit and demonstrates the determination of all Allies to uphold and defend the common values that underpin the Alliance.

Implementing the Readiness Action Plan

Only two years after its adoption by Allies in Wales, the Readiness Action Plan has largely been implemented. The size of the NATO Response Force has tripled to 40,000, with a Spearhead Force at its core able to move within days. Eight small headquarters have been established in the eastern part of the Alliance to facilitate training and reinforcements, if needed. At the same time, NATO has augmented Turkey's defences, the Ally most directly affected by the turmoil in the south.

The Readiness Action Plan combines a series of measures related to assurance and adaptation. It balances requirements for increased military presence in some geographic areas with the ability to reinforce anywhere on Alliance territory. It marks significant advances in three areas:

- NATO's ability to anticipate and take decisions to respond to potential threats from any direction

- the scale, composition and preparedness of the NATO Response Force, including the Very High Readiness Joint Task Force

- a renewed emphasis on the collective preparation of NATO's largest military formations to enable follow-on heavy reinforcement of any Ally, if necessary

The Readiness Action Plan is designed to reassure all Allies in the face of the evolving security environment and to improve readiness and enable the Alliance to rapidly respond to changing demands. Through the design and implementation of this plan, NATO has also improved its 360-degree situational awareness.

Assurance Measures

In 2016, all 28 Allies contributed to assurance measures on a rotational basis. Through a series of land, air and maritime activities, NATO continues to provide assurance and to support deterrence in and around the eastern part of the Alliance. These measures are increased or reduced as necessary, depending on the security situation.

Throughout 2016, NATO also continued its support to Turkey, augmenting Turkish air defence capabilities through the deployment of missile batteries. At the Warsaw Summit, Allies agreed on the importance of implementing further assurance measures for Turkey. These include an increased AWACS presence in the region, a range of maritime activities, and air policing. The aim of the measures is to respond to the growing challenges from the south and contribute to the security of the Alliance as a whole.

Adaptation Measures

Through the adaptation measures of the Readiness Action Plan, NATO has upgraded its high-readiness forces on land, at sea and in the air. The NATO Response Force has been substantially enhanced by tripling its size and increasing its readiness levels, with the Very High Readiness Joint Task Force (VJTF) at its core. Several Allies have already committed to taking the rotational lead of the land component of the VJTF until 2023, with the United Kingdom taking over the lead from Spain in 2017. The VJTF is ready to deploy within days.

To support potential deployment of these forces and to assist in coordinating planning, exercises and reinforcements, the Alliance has established eight NATO Force Integration Units in Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia. These units operate with the oversight of the Headquarters Multinational Corps Northeast in Szczecin, Poland and the Headquarters Multinational Division Southeast in Bucharest, Romania.

2016 assurance measures included:

- fighter jets on air policing patrols over the Baltic States and fighter jets deployed to Bulgaria, Poland and Romania
- Airborne Warning and Control System (AWACS) flights over the territory of NATO's eastern Allies
- maritime patrols in the Baltic Sea, the Black Sea and the Mediterranean Sea with the Standing NATO Maritime Groups and Standing NATO Mine Counter-Measures Groups
- maritime patrol aircraft flights along NATO's eastern borders
- deployment of ground troops to the eastern areas of the Alliance for training and exercises
- 83 of the 246 exercises conducted in 2016 were in support of NATO's assurance measures

In recent years, NATO has experienced an increase in hybrid threats – those that may draw on conventional and non-conventional means and overt and covert military, paramilitary, and civilian measures. A comprehensive strategy on NATO's role in countering hybrid threats emphasises the need to prepare for potential conflict in a hybrid environment where ambiguity may be the norm. A key element of the strategy is enhanced cooperation with the European Union, which plays an important role in relation to non-military activities to counter hybrid attacks. Work in this area is well underway, underpinned by the Joint Declaration issued in Warsaw by the President of the European Council, the President of the European Commission and the NATO Secretary General.

Through the Readiness Action Plan, NATO has enhanced its planning for collective defence and has improved its crisis response procedures, including the creation of an accelerated decision-making process. As part of the Readiness Action Plan, NATO leaders have also established a framework to address the growing challenges and threats emanating from the Alliance's southern neighbourhood. NATO's Framework for the South focuses on improving the Alliance's regional understanding and situational awareness, its capabilities for expeditionary operations and its ability to project stability in its neighbourhood.

NATO's Forward Presence

The Readiness Action Plan was NATO's initial response to a changing security environment in 2014. As the challenges to Allied security continued to evolve, Allied leaders agreed at the NATO Summit in Warsaw that a further shift in NATO's posture was warranted. As part of this shift, Allies agreed to establish a rotational forward presence in the Baltic and Black Sea regions to demonstrate solidarity, determination, and an ability to act in defence of NATO territory.

NATO's forward presence will include multinational battlegroups deployed in Estonia, Latvia, Lithuania and Poland and led by the United Kingdom, Canada, Germany and the United States respectively. It will also include a multinational brigade for training, led by Romania, that will contribute to NATO's deterrence and defence in the Black Sea region. Significant additional contributions by other Allies send the message that NATO stands as one, and that an attack on any single Ally will be considered an attack against all. These troops will be under NATO command and control, which will include a multinational divisional headquarters in Poland.

NATO's forward presence will be an integral part of NATO's deterrence and defence posture. During peacetime, the multinational forces in Estonia, Latvia, Lithuania and Poland will train with national defence forces in those countries to enhance interoperability and improve their ability to operate locally. In case of aggression, these forces will respond in accordance with the right to self-defence, in coordination with the national forces of the host nation.

4 Multinational Battlegroups

ESTONIA:
United Kingdom
Denmark (as of 2018)
France

LITHUANIA:
Germany
Belgium
Croatia (as of 2018)
France (as of 2018)
Luxembourg
The Netherlands
Norway

LATVIA:
Canada
Albania
Italy
Poland
Slovenia
Spain

POLAND:
United States
Romania
United Kingdom

Framework Nation
Contributing Nation
Valid as of 31 December 2016

TAPA
2018
ADAZI
RUKLA
2018
ORZYSZ

ESTONIA
LATVIA
LITHUANIA

HQ Multinational Corps Northeast
SZCZECIN
HQ Multinational Division Northeast
ELBLAG

POLAND

The forward presence in the Black Sea region will include a multinational framework brigade for integrated training, as well as measures to strengthen NATO's air and maritime presence in the region. Romania is the framework nation for the multinational brigade, which is being developed with contributions at the battalion level from Bulgaria, Poland and Turkey. Other significant contributions have been announced by Canada, Germany and the United States.

NATO's rapid-reinforcement strategy also ensures that these forces can be supported by NATO's Very High Readiness Joint Task Force, the broader NATO Response Force, NATO's substantial follow-on forces, and Allies' additional high-readiness forces, if necessary.

Air Policing

Safeguarding the integrity of Alliance members' sovereign airspace is a long-standing peacetime task contributing to NATO's collective defence. Air Policing involves Quick Reaction Alert (Interceptor) aircraft owned and operated by NATO members. They respond to aircraft that are unidentified or operate in an unusual or unsafe manner. Existing military and civilian agreements ensure coordinated Air Policing operations across NATO members' airspace and guarantee security to Alliance members.

NATO Air Policing reflects the fundamental guiding principle of common commitment and mutual cooperation among sovereign states. All NATO members contribute in some form to NATO Air Policing through the use of national air surveillance systems, air traffic management, interceptor aircraft, or other air defence measures. For those that do not have the full range of air policing assets in their own militaries, agreements exist to ensure a single standard of security for all NATO members.

Since 2004, NATO has provided air policing for members that do not have all the necessary means within their own national structures. Allies provide NATO Air Policing support to the Baltic States via rotational deployment of interceptor aircraft through the NATO force generation process. Italian and Hungarian interceptor aircraft provide NATO Air Policing for Albania and Slovenia from bases in Italy and Hungary respectively. By the end of 2016, 43 contingents from 17 countries had contributed to the Baltic Air Policing mission since it began.

In 2014 and 2015, the number of NATO Air Policing flights over the Baltic and Black Sea areas increased significantly due to increased Russian air activities. As a consequence, NATO augmented its air policing presence by deploying additional fighter aircraft in the framework of the assurance measures of the Readiness Action Plan.

Although the number of policing missions in the north decreased in 2016, the overall number increased mainly because of the higher number of NATO Air Policing missions along the Turkish-Syrian border due to changed command and control arrangements and the changed security environment in the area.

Resilience and Civil Preparedness

Having the resilience to withstand shocks like natural disasters, failure of critical infrastructure, and military and terrorist attacks is crucial to security and stability. Resilience is the combination of civil preparedness and military capacity – a society's ability to resist and recover easily and quickly from these shocks through a combination of civilian, economic, commercial and military factors.

In 2016, Allies continued to improve civil preparedness, reducing vulnerabilities in their critical infrastructure and essential services and ensuring that NATO military forces can be supported with civilian resources.

In February 2016, Defence Ministers assessed the Alliance-wide state of civil preparedness and agreed seven baseline requirements for national resilience. They cover sectors essential for Alliance security: continuity of government, energy, population movements, food and water resources, ability to cope with mass casualties, civil communications, and civil transportation.

At the NATO Summit in Warsaw, Allied Heads of State and Government made a historic commitment to enhancing resilience and to embedding agreed standards in these seven sectors. The Warsaw

Resilience Commitment was adopted in the spirit of Article 3 of NATO's founding treaty, which obliges every Ally to do what is necessary, individually and collectively, to be able to resist armed attack. Allies are implementing this commitment.

NATO also reviewed and improved its tools to help Allies increase their resilience and measure progress more accurately. These include guidelines, evaluation criteria, tailored advisory support teams of civil experts, and updated crisis response measures. The state of civil preparedness will be reassessed by NATO Defence Ministers in early 2018.

NATO has also been engaging the private sector, as well as counterparts in the European Union (EU), in its efforts to build resilience. Bolstering resilience is one of the key areas identified for cooperation between NATO and the EU on countering hybrid threats.

The Alliance also continued to engage with partners in addressing vulnerabilities in their countries in order to make NATO's neighbourhood, and therefore the Alliance itself, more secure. Partner countries Finland and Sweden have cooperated closely with NATO in developing plans to improve their resilience.

Energy Security

The availability of energy, including supply disruptions or volatile energy prices, can have far-reaching security implications. In this context, NATO is working to raise its collective awareness in this area and develop its competence in supporting the protection of critical energy infrastructure.

NATO works to enhance energy efficiency in the military, both with a view to making its armed forces less dependent on fossil fuels and to reducing its environmental footprint. NATO's renewed focus on collective defence, through its forward presence, for example, has focused attention on the availability of sustainable and resilient energy supplies. As a result, NATO is supporting efforts to improve interoperability, provide new means of mobile power generation, and offer new energy-related training courses for the military. Through military exercises, NATO is helping to ensure that individual technologies can work seamlessly together in a contested environment where conventional energy supplies may be disrupted.

NATO's activities in 2016 focused on the way energy and security are increasingly interlinked.

- After the successful demonstration of the operational relevance of energy-efficient equipment (for instance solar and wind power, smart grids, advanced insulation) at a multinational exercise in 2015, NATO began to integrate energy efficiency into its policies and standards.

- The North Atlantic Council discussed global energy developments and their security implications with prominent energy experts, including EU Commission Vice President Maroš Šefčovič.

- NATO conducted its second course on building strategic awareness in relation to energy security at the NATO School in Oberammergau, Germany with participants from Allied and partner countries.

- NATO worked with the NATO Energy Security Centre of Excellence in Vilnius, Lithuania to organise a table-top exercise on protecting critical energy infrastructure, focusing on the impact of electricity supply disruption in the Baltic region for national security and defence. The Centre also published several studies on Ukraine's energy challenges after Russia's illegal annexation of Crimea and developed a "Green Book" which provides advice on critical infrastructure protection.

Transparency and Risk Reduction

Transparency in relation to military activities is a crucial practice for reducing risks and avoiding accidents and incidents. NATO continues to seek ways to avoid misunderstanding, miscalculation, accidents and military escalation. Constructive engagement on reciprocal military transparency and risk reduction can contribute to improved stability and security in the Euro-Atlantic area.

This is especially important in light of Russia's behaviour in recent years, in particular its increased military activities and rhetoric, which reduces stability and predictability. In line with decisions taken at the Warsaw Summit, NATO remains open to discussion with Russia on transparency and risk reduction, including in the framework of the NATO-Russia Council.

Conventional Arms Control in Europe

Arms control is a valuable means of building security and predictability. At the Warsaw Summit in 2016, Allies reaffirmed their strong support for arms control and their commitment to preserve, strengthen, and modernise conventional arms control in Europe. They agreed to do this based on key principles including reciprocity, transparency and host-nation consent. NATO members continue to implement their arms control obligations in full. However, they remain concerned by Russia's selective implementation of its key international commitments, including the Vienna Document, the Open Skies Treaty, the Treaty on Conventional Armed Forces in Europe, and the Helsinki Final Act.

Modernising the Vienna Document

In 2016, NATO redoubled its efforts on risk reduction and transparency. This followed a call by the NATO Secretary General at the end of 2015 for Allies and Russia to work together to improve European security – including by modernising the Vienna Document. The Vienna Document – which contains commitments among the participating states of the Organization for Security and Co-operation in Europe (OSCE) – is considered one of the key foundations of the European security system. If implemented in letter and in spirit, the measures it outlines can increase military transparency and predictability, improve mutual trust, and help to avoid unnecessary or provocative military build-ups. Given changes in the security environment, Allies have put forward several proposals to modernise the Vienna Document including:

- lowering the thresholds for notification and observation of military exercises
- closing loopholes that allow countries to avoid notification and observation of exercises, including no-notice or "snap" exercise loopholes
- strengthening verification by improving inspections and evaluations and providing additional quotas for all states
- bolstering the mechanism to address concerns about unusual military activities
- enhancing military-to-military lines of communication
- further clarifying and fully implementing the hazardous incidents notification provision

Throughout 2016, the Alliance intensified discussions on the Vienna Document. While Russia has opposed the proposed changes, Allies will continue their efforts in 2017 to strengthen the Vienna Document.

Relations with Russia

Prior to 2014, NATO and Russia had worked to build a partnership, developing dialogue and practical cooperation in areas of common interest. Following Russia's illegal annexation of Crimea in 2014, NATO suspended practical cooperation programmes with Russia. However, political and military channels of communication remain open and efforts to reduce risk and increase transparency are ongoing.

In response to Russia's illegal annexation of Crimea as well as increasingly assertive Russian behaviour, NATO has increased its rotational military presence in the eastern part of the Alliance. NATO's measures are defensive, proportionate and in line with international commitments, including the NATO-Russia Founding Act.

At the Summit in Warsaw, NATO leaders reaffirmed that the nature of the Alliance's relations with Russia and aspirations for partnership will be contingent on a clear, constructive change in Russia's actions – demonstrating compliance with international law and its international obligations and responsibilities. Allies also agreed that deterrence and defence should be complemented by periodic, focused and meaningful dialogue with a Russia willing to engage on the basis of reciprocity in the NATO-Russia Council. This is important in order to avoid misunderstanding, miscalculation and unintended escalation, and to increase transparency and predictability.

The NATO-Russia Council met three times in 2016: in April, in July and in December. At each meeting, the group discussed the conflict in and around Ukraine including the full implementation of the Minsk Agreements; issues related to military activities, transparency and risk reduction; and the security situation in Afghanistan, including the regional terrorist threat.

The Secretary General met with Russian Foreign Minister Sergey Lavrov in February and September. The Deputy Secretary General maintained regular contact with the Russian Ambassador to NATO throughout the year, as well as with other Russian officials. NATO's military leaders have also continued to seek discussion with their Russian counterparts through existing military channels of communication.

Exercises

In 2016, NATO Allies continued to strictly adhere to the letter and spirit of the Vienna Document. This included regularly notifying OSCE participating states of exercises, including those below the required threshold of 9,000 troops. Notification of Allied exercises throughout the year allowed Russian observers to visit ten Allied military exercises, including Cold Response (March, Norway), Joint Warrior (April, United Kingdom), Anakonda (June, Poland) and Parmenion (October, Greece).

Arms Control, Disarmament, Non-proliferation and CBRN Defence

Arms control, disarmament and non-proliferation have been an important aspect of NATO's agenda since the Cold War. As part of the 1967 Harmel Report on the Future Tasks of the Alliance, NATO Allies formally recognised the importance of negotiations to improve the climate of East-West relations, including talks on disarmament. At the same time, Allies agreed to develop the necessary military capabilities to deter aggression.

NATO's Role

NATO attaches great importance to arms control, disarmament and non-proliferation as tools that enhance security; NATO serves as an essential consultative and decision-making forum for its members on all aspects of these topics. At the Warsaw Summit in July 2016, Allies reaffirmed their concern about the proliferation of nuclear weapons and other weapons of mass destruction (WMD), as well as their means of delivery by state and non-state actors.

Small Arms, Light Weapons, Mine Action

The proliferation of small arms and light weapons can have an immediate impact on security while anti-personnel mines and explosive remnants of war can kill and maim both people and livestock long after the end of hostilities. Both can have destabilising effects on social and economic development and can represent major challenges to regional and national security.

In 2016, NATO continued to work with partners in the Euro-Atlantic Partnership Council (EAPC) to address small arms and light weapons as well as mine action. The EAPC Ad Hoc Working Group – in which implementing organisations like the UN, the EU, the OSCE, the South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC) and the NATO Support and Procurement Agency can share information – met six times in 2016 to coordinate projects and discuss common approaches.

NATO is increasingly contributing to international efforts in the area of small arms and light weapons and mine action. Information on all ongoing projects is publicly accessible on the NATO website, helping to improve coordination. This includes continued efforts

Within NATO, there are a number of forums in which discussions on arms control, disarmament and non-proliferation take place:

- the High-Level Task Force on Conventional Arms Control sets arms control policy
- the Committee on Proliferation meets in political-military and defence formats to discuss WMD non-proliferation efforts and defence against chemical, biological, radiological and nuclear (CBRN) threats
- the Special Advisory and Consultative Arms Control, Disarmament and Non-Proliferation Committee is a forum for discussion of strategic stability and nuclear transparency

During 2016, NATO met in the High-Level Task Force on Conventional Arms Control format four times, and 15 times in subordinate committees. These discussions were not always limited to NATO members: in 2016, NATO also consulted partners such as Finland, Georgia and Sweden on arms control matters.

In 2016, the NATO Committee on Proliferation met more than ten times in various formats to discuss WMD/CBRN risks and threats, the implementation of the 2009 NATO comprehensive strategic-level policy on WMD/CBRN and to develop policy guidance for NATO's responses to proliferation. The Committee also held partner meetings with Finland, Israel and Sweden on WMD proliferation issues and on recent developments in the non-proliferation and nuclear disarmament field in the United Nations (UN) General Assembly framework.

to incorporate UN Security Council Resolution 1325 on Women, Peace and Security in small arms and light weapons/mine action and in arms control. To this end, NATO drafted guidelines in 2016 and convened a major workshop of experts from Allied and partner countries and international organisations.

Although Allies have different approaches to the Arms Trade Treaty, the Ottawa Convention on anti-personnel mines and the Convention on Cluster Munitions, they all fully support strengthening global norms in these areas.

Part of NATO's contribution involves destruction of surplus or dangerous materiel. To date, NATO has helped to destroy 5.2 million anti-personnel landmines, 44,500 tonnes of various munitions, 2 million hand grenades, 15.9 million cluster sub-munitions, 1,540 man-portable air defence systems (MANPADS), 626,000 small arms and light weapons, 164 million rounds of ammunition, 642,000 pieces of unexploded ordnance, 94,500 surface-to-air missiles and rockets, 3,530 tonnes of chemicals, including rocket fuel oxidiser ("melange"), and cleared more than 4,120 hectares of land.

Over the years, NATO has also trained thousands of explosive ordnance disposal experts. In 2016, NATO conducted nine training courses on small arms and light weapons, arms control and non-proliferation. NATO has also given assistance to more than 12,000 former military personnel through the defence reform trust fund project.

All these activities contribute to a more secure environment, enhance cooperation between NATO and partner countries, and integrate individual, national and regional security.

Weapons of Mass Destruction and CBRN

NATO is committed to working with Allies, partners, and other international organisations to combat the proliferation of weapons of mass destruction (WMD) and defend against chemical, biological, radiological and nuclear (CBRN) threats. In May, NATO held its annual conference on these issues, gathering over 100 participants from 44 countries, as well as high-level representatives from the UN, the EU, the Organisation for the Prohibition of Chemical Weapons

(OPCW) and the Comprehensive Nuclear Test-Ban Organisation (CTBTO) in Ljubljana, Slovenia.

NATO has a Combined Joint CBRN Defence Task Force designed to perform a full range of CBRN defence missions. The task force is led by an individual Ally on a 12-month rotational basis. In 2016, Poland took over the lead-nation function and presented for the first time the new Multirole Exploitation Reconnaissance Team, composed

of Special Operations Forces and CBRN experts that provide CBRN reconnaissance as well as sensitive site exploitation.

In July, Allies agreed on a concept that helps to facilitate the provision and generation of specialised, sustainable CBRN defence forces for NATO operations and missions. The overall goal of this initiative is to create a platform to help maintain, consolidate and improve current capabilities of European Allies. NATO is also engaged in helping to build capacity for members and partners in the area of CBRN defence. In 2016, 11 different training courses on CBRN defence and WMD non-proliferation were held at the NATO School in Oberammergau. In addition, NATO's CBRN capability development community under the Conference of National Armaments Directors (CNAD) and the Military Committee Joint Standardization Board continued to provide fundamental interoperability to the Alliance and adapt CBRN defence capabilities to the changed security environment.

Centres of Excellence

NATO Centres of Excellence are international military organisations that train and educate leaders and specialists from NATO member and partner countries. These Centres are nationally or multinationally funded. They are not NATO bodies and are not part of the NATO Command Structure. They assist in doctrine development, identify lessons learned, improve interoperability and capabilities, and test and validate concepts through experimentation. They offer recognised expertise and experience that is of benefit to the Alliance, and support the transformation of NATO, while avoiding the duplication of assets, resources and capabilities already present within the Alliance.

NATO's work in relation to arms control and non-proliferation is supported by a number of these NATO-accredited national entities. The Joint CBRN Defence Centre of Excellence in Vyškov in the Czech Republic has a new coordination element that ensures the availability of expert information and fused CBRN technical and scientific expertise to support NATO commanders and their staffs.

In 2016, the Centre organised nine residential courses for participants from NATO and partner countries, supported by speakers from the International Atomic Energy Agency (IAEA), the Organisation for the Prohibition of Chemical Weapons (OPCW), and the World Health Organization (WHO), among others. A live-agent training funded by the NATO Science for Peace and Security Programme took place in October for first responders from Egypt, Jordan and Tunisia. It was organised in cooperation with the Centre and reinforced by OPCW trainers.

The NATO Maritime Interdiction Operational Training Centre in Crete, Greece conducted three training courses in May, July and September related to illicit trafficking of CBRN material at sea and WMD in maritime interdiction operations.

In October, the Explosive Ordnance Disposal Centre of Excellence in Trenčin, Slovakia hosted the first staff officer training for CBRN explosive ordnance disposal incident management, as well as a course on the safe handling and elimination of explosives with a chemical payload, including staff procedures and safety considerations for the disposal of chemical weapons.

Cyber Defence

Cyber threats and attacks are becoming more common, sophisticated, and damaging. These attacks can shut down infrastructure, undermine democratic systems, and affect military operations. In light of this changing security environment, cyber defence has become a key priority. It has evolved from being seen as a technical enabler to an operational domain in which NATO has to be able to act as effectively as on land, in the air or at sea.

Like other organisations, NATO is facing a fast-changing cyber landscape where specific and targeted attacks are increasingly common. Detecting such attacks amid the enormous volume of conventional online activity requires sophisticated capabilities and expertise. In 2016, NATO dealt with an average of 500 incidents per month, a nearly 60% increase on 2015. Two hundred experts defend NATO's networks around the clock, and the Alliance has established rapid reaction teams to respond to attacks against NATO networks and to assist Allies, if necessary.

At the Warsaw Summit, Allies took two important decisions to respond to the changing cyber threat landscape. First, Allies recognised cyberspace as a domain of operations in which NATO must defend itself as effectively as it does in the air, on land and at sea. This will enable NATO's military structures to devote specific attention to protecting missions and operations from cyber threats and increase their focus on cyber-related training and military planning for operations conducted in a contested and degraded cyber environment. It will also allow for the streamlining of cyber defence into operations across the other domains of air, land and sea and for achieving joint operational effects. This does not change NATO's mission or mandate, which remains entirely defensive and is conducted in accordance with international law.

In Warsaw, Allies also pledged to strengthen and enhance their own cyber defences – including of national infrastructure and networks – as a matter of priority. Allies committed to seven key objectives as part of a Cyber Defence Pledge, including developing the fullest range of cyber defence capabilities and fostering better education, training and exercises. Allies' work to implement the Cyber Defence Pledge will be reviewed on an annual basis.

Important achievements in 2016 include:

- Nineteen Allies have updated their Memoranda of Understanding with NATO on cyber defence cooperation and information-sharing to support the rapid and effective exchange of relevant information to strengthen Allied cyber defences.

- The NATO Computer Incident Response Capability (NCIRC) ensured coverage for six of NATO's Force Integration Units.

- In February, an agreement for exchanging information and sharing best practice was signed between NATO's incident response team and the Computer Emergency Response Team of the European Union. Further cooperation with the EU on cyber defence is among the areas in the Joint Declaration signed at the Warsaw Summit by Secretary General Jens Stoltenberg, President Donald Tusk and President Jean-Claude Juncker.

- NATO continued to strengthen its cooperation with partner countries in relation to cyber defence including through exercises and a dedicated trust fund for Ukraine.

- In November, Cyber Coalition 2016 took place in Estonia involving numerous NATO Allies and partners, in addition to cyber defence staff elements of the EU and industry representatives.

- After a successful pilot, the industry Malware Information Sharing Portal was inaugurated. It facilitates the sharing of unclassified technical cyber information between NATO and industry representatives.
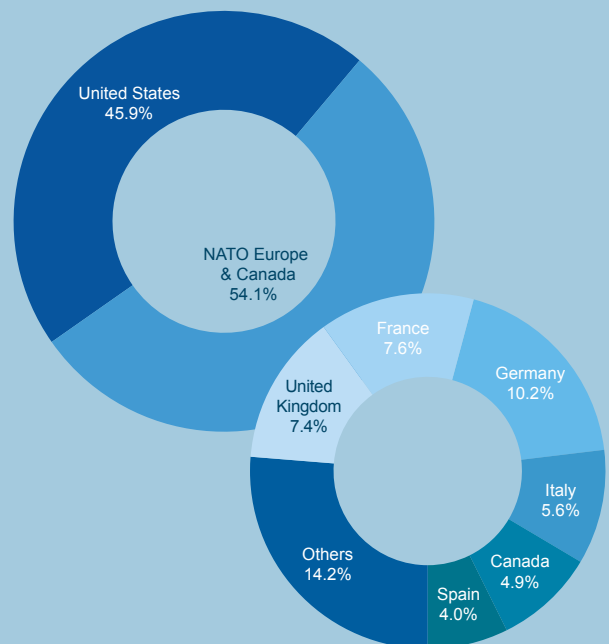
INVESTING
IN SECURITY

NATO is committed to defending its nearly one billion citizens in Europe and North America. Fulfilling this commitment requires that Allies understand the changing security environment, agree on policies for how to address the challenges and threats, develop and invest in the capabilities required to implement those policies, and resolve to use their capabilities when required. Each of these elements is essential for NATO to fulfil its purpose of safeguarding the freedom and security of all its members.
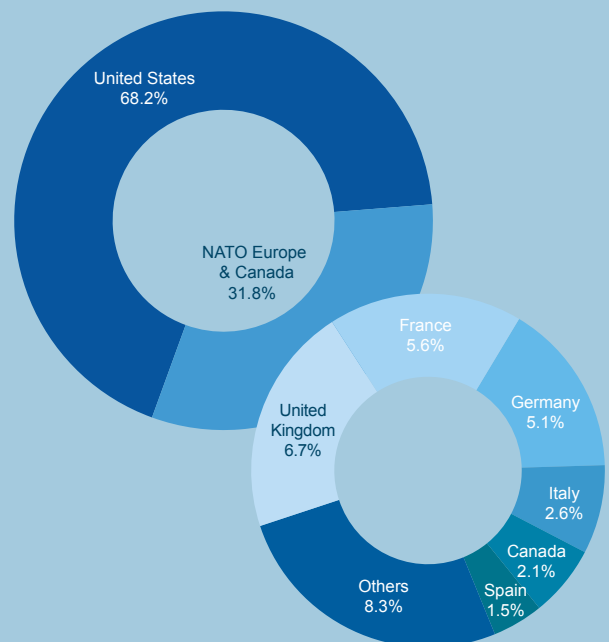
In 2016, the United States accounted for 46% of the Allies' combined Gross Domestic Product (GDP) and 68% of combined defence expenditure. While recognising that the US' status as a global power means its defence spending is not directly comparable to that of other NATO members, Allies accept the need for a better balance.[1]

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1   For all the graphs in this chapter of the report, it should be noted that Iceland has no armed forces.

Note: The figures presented at aggregate level may differ from the sum of their components due to rounding.

Share of Alliance GDP 2016

United States
45.9%

NATO Europe
& Canada
54.1%

France
7.6%

Germany
10.2%

Italy
5.6%

Canada
4.9%

Spain
4.0%

Others
14.2%

United
Kingdom
7.4%

Based on constant 2010 prices and exchange rates. Figures for 2016 are estimates.

Share of Alliance defence expenditure 2016

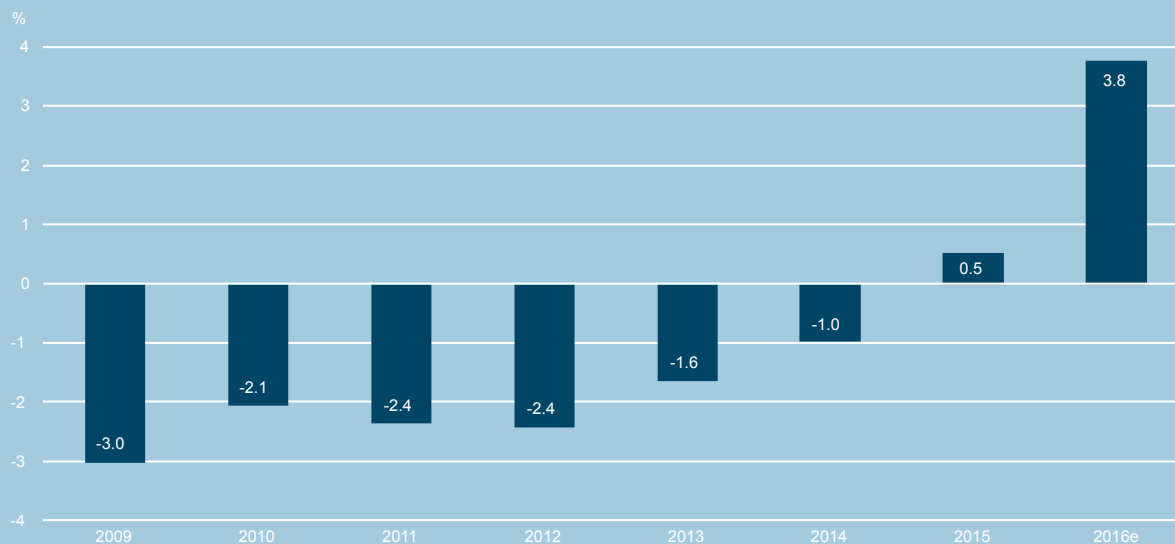United States
68.2%

NATO Europe
& Canada
31.8%

France
5.6%

Germany
5.1%

Italy
2.6%

Canada
2.1%

Spain
1.5%

Others
8.3%

United
Kingdom
6.7%

Based on constant 2010 prices and exchange rates. Figures for 2016 are estimates.

NATO Europe and Canada – defence expenditure (annual real change)

%

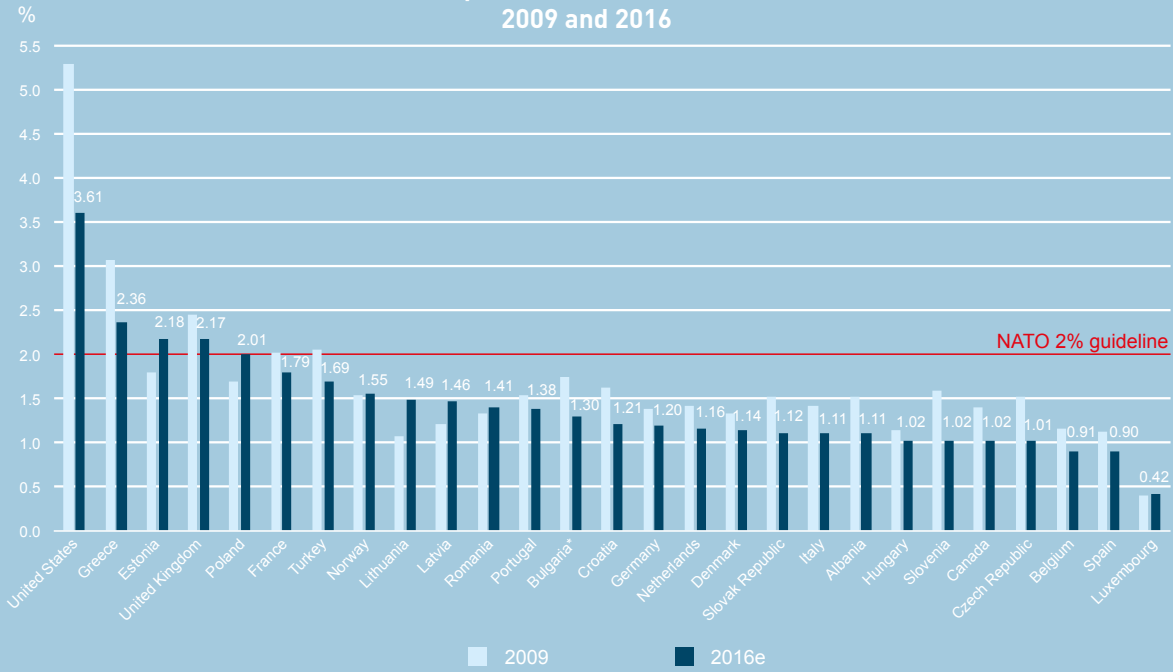|	
2009	-3.0
2010	-2.1
2011	-2.4
2012	-2.4
2013	-1.6
2014	-1.0
2015	0.5
2016e	3.8

Based on constant 2010 prices and exchange rates. Figures for 2016 are estimates.

To ensure that the Alliance has the resources it requires, NATO Heads of State and Government made a Defence Investment Pledge at the 2014 Summit in Wales. The pledge calls for all Allies that do not already meet the NATO-agreed guideline of spending 2% of GDP on defence to stop the cuts, gradually increase spending as GDP grows, and aim to move towards spending 2% of GDP on defence within a decade. They also agreed that those not meeting the NATO-agreed guideline of spending at least 20% of annual defence expenditure on major new equipment, including related research and development, would aim to do so within a decade. The overall goal is to meet NATO's capability priorities, including the NATO-agreed guidelines

for deployability and sustainability. This will ensure that Allies' forces can operate together effectively, including through the implementation of NATO standards and doctrines.

In 2015, the first year after Allies made the Defence Investment Pledge, defence cuts stopped in NATO Europe as a whole. Updated 2015 figures show that while some Allies continued to decrease defence spending, 15 Allies not only stopped the cuts but increased their defence spending in real terms. In 2016, progress continued, with 23 Allies increasing their national expenditure on defence in real terms. When measured as a share of GDP, 16 Allies raised defence expenditure in 2016.

Defence expenditure as a share of GDP (%)
2009 and 2016

%
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0

NATO 2% guideline

3.61 2.36 2.18 2.17 2.01 1.79 1.69 1.55 1.49 1.46 1.41 1.38 1.30 1.21 1.20 1.16 1.14 1.12 1.11 1.11 1.02 1.02 1.02 1.01 0.91 0.90 0.42

United States, Greece, Estonia, United Kingdom, Poland, France, Turkey, Norway, Lithuania, Latvia, Romania, Portugal, Bulgaria*, Croatia, Germany, Netherlands, Denmark, Slovak Republic, Italy, Albania, Hungary, Slovenia, Canada, Czech Republic, Belgium, Spain, Luxembourg

2009   2016e

Equipment expenditure as a share of defence expenditure (%)
2009 and 2016

%
40
35
30
25
20
15
10
5
0

NATO 20% guideline

27.65 27.24 25.79 25.08 25.03 24.48 22.56 22.35 20.40 20.24 18.06 17.86 15.30 15.23 14.91 14.14 13.50 13.00 12.55 12.41 12.21 9.43 8.01 7.37 7.23 4.65 1.03

Lithuania, Luxembourg, Poland, Norway, United States, France, United Kingdom, Turkey, Romania, Italy, Canada, Latvia, Slovak Republic, Spain, Greece, Netherlands, Estonia, Hungary, Bulgaria*, Denmark, Germany, Portugal, Albania, Croatia, Czech Republic, Belgium, Slovenia

2009   2016e

Based on 2010 prices. Figures for 2016 are estimates.
* Defence expenditure does not include pensions.

In 2016, five Allies met the goal of spending 2% or more of GDP on defence. Many others have put in place national plans to reach 2% by 2024. This is important progress. Compared to 2015, defence spending among European Allies and Canada increased by 3.8% in real terms – roughly USD 10 billion.

When it comes to the commitment to invest at least 20% of defence expenditure in major new equipment, there was also progress in 2016. Eighteen NATO countries spent more in real terms on major equipment than they did in 2015. Ten Allies met the NATO-agreed guideline of spending 20% or more of their defence expenditure on major equipment, up from eight in 2015.

The gains achieved in 2016 are a clear demonstration of Allies' commitment to sharing the costs of Euro-Atlantic security. However, in 2016 only three NATO countries met both the 2% and 20% guidelines to which all NATO members have agreed. All Allies reconfirmed their commitment to the pledge at the NATO Summit in Warsaw and will review progress annually. The challenges faced by the Alliance are many, and continued investment in defence will be required to address them.

Defence expenditure as a share of GDP versus equipment expenditure as a share of defence expenditure
2016
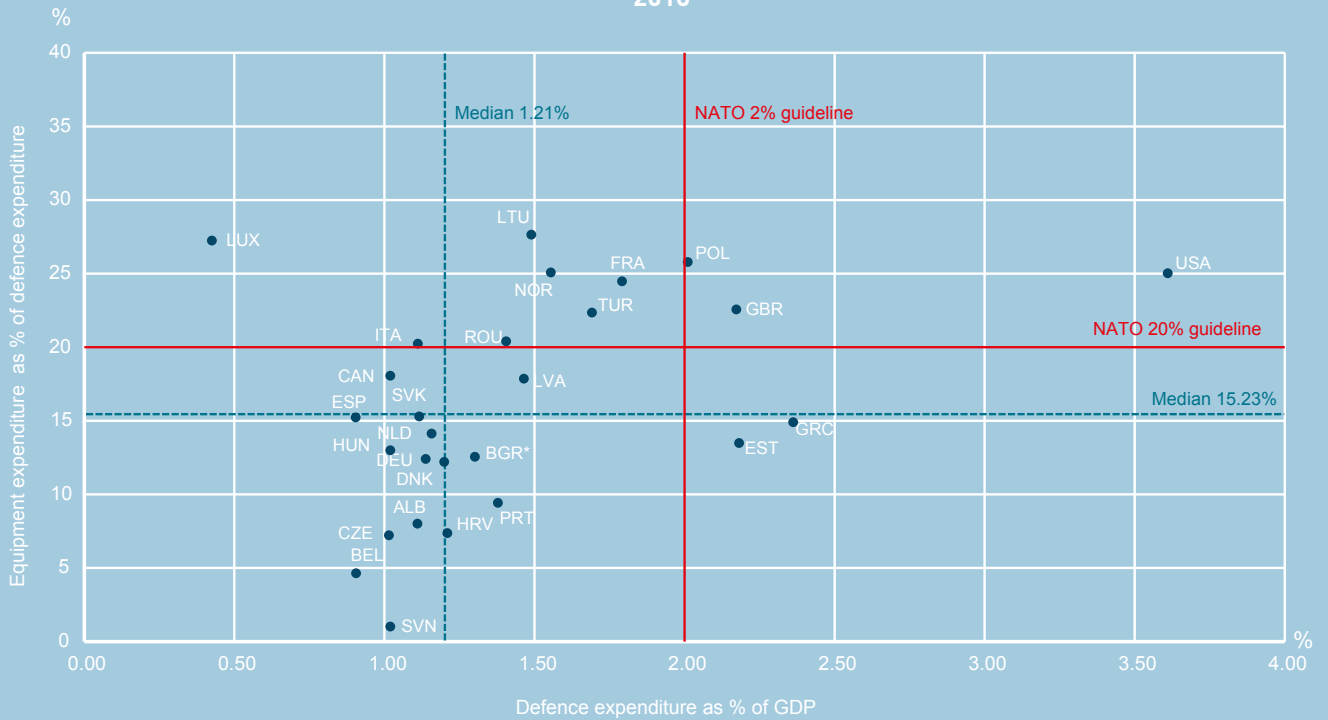
Based on constant 2010 prices and exchange rates. Figures for 2016 are estimates.
* Defence expenditure does not include pensions.

IMPROVING
CAPABILITIES

NATO's modern defence posture is based on an effective combination of cutting-edge weapons systems and platforms and forces trained to work together seamlessly. As important as it is that Allies invest in defence, it is also critical that those funds are invested in the right capabilities. NATO plays an important role in assessing what capabilities the Alliance needs, setting targets for national or collective development of capabilities, and facilitating national, multinational and collective capability development and innovation.

The NATO Defence Planning Process continues to be the primary means to identify and prioritise required capabilities and to promote their development and acquisition. At the 2014 Wales Summit, Allies agreed to further enhance their ability to meet their commitments and introduced a range of measures to respond to the evolving security environment. At the 2016 Warsaw Summit, Allied leaders confirmed their commitment to delivering heavier and more high-end forces and capabilities as well as more forces at higher readiness.

Exercises

Exercises help the Alliance to test its thinking, procedures, systems and tactics. They help prepare NATO to respond to security challenges, to adapt to new security environments, and to ensure the readiness of the Alliance to defend and protect all its members. Exercises are also an important element of deterrence, not only helping NATO to develop capabilities but also demonstrating its credibility.

NATO seeks at all times to be transparent and predictable, in accordance with international obligations. Exercise schedules are published months in advance on NATO's website.[2] NATO members strictly abide by their commitments on arms control and confidence and security measures, and they regularly go further, for example, by offering observation opportunities for international organisations or non-member countries. They also often announce in advance small-scale exercises that fall below the notification threshold set by the Vienna Document on military transparency.

In 2016, NATO conducted 107 exercises and was associated with 139 national exercises. These exercises varied in scope, duration and form, ranging from live exercises involving thousands of troops and heavy equipment to computer-assisted exercises that took place in classrooms. As in 2015, about one third of the exercises were part of the assurance measures associated with the Readiness Action Plan.

Military exercises are also essential for testing how the military elements, units, command posts and equipment from NATO and partner nations work together in the air, on the ground, and at sea. In this way, exercises are an essential tool for increasing interoperability. Seventeen high-level exercises were open to partners in 2016. International organisations, including the European Union, were also invited to observe NATO exercises.

Crisis Management Exercise 2016

Crisis management is one of NATO's three core tasks. The objective of the annual Crisis Management Exercise is to help prepare the Alliance to respond quickly and effectively to possible crises by rehearsing different scenarios and testing internal processes and protocols. In line with the Readiness Action Plan, the Crisis Management Exercise 2016 tested a recently introduced method for enhanced consultation and quicker decision-making in the NATO Crisis Management Process. No forces were deployed during this table-top exercise. It was based on a fictitious but realistic crisis scenario on collective defence and included challenges posed by hybrid warfare tactics. Finland and Sweden participated as partners in the exercise, while European Union staff participated as observers.

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2   www.shape.nato.int/exercises

Key NATO and Allied multinational exercises in 2016

INFORMATION	DATE	LOCATION
DYNAMIC MANTA NATO exercise testing anti-submarine warfare capabilities. More than 5,000 sailors from eight NATO nations participated, including France, Germany, Greece, Italy, Spain, Turkey, the United Kingdom and the United States.	22 February – 4 March	Ionian Sea
COLD RESPONSE Multinational exercise showcasing Allies' ability to conduct operations in extreme weather conditions. This exercise included land, maritime and air assets, with more than 15,000 troops from 12 NATO nations as well as partners Finland and Sweden.	17 – 28 March	Norway
BRILLIANT JUMP ALERT 16 The first in a series of four exercises testing the core elements of the NATO Response Force. It tested the activation process of NATO's Spearhead Force, the Very High Readiness Joint Task Force (VJTF). The exercise involved numerous military headquarters and units in Albania, Poland, Spain and the United Kingdom.	1 – 10 April	Albania, Poland, Spain, UK
RAMSTEIN ALLOY This multinational air exercise focused on enhancing interoperability among Allies and with partners, as well as exercising Baltic Air Policing aircraft. It involved air assets from Belgium, Estonia, Lithuania, Poland, Spain, the United Kingdom and the United States as well as partners Finland and Sweden.	19 – 20 April	Estonia
STEADFAST ALLIANCE The exercise trained the Alliance's Ballistic Missile Defence structure, including planning and decision-making processes at all levels. Seven NATO nations participated: Belgium, Germany, Italy, Portugal, Spain, Turkey and the United Kingdom.	18 – 29 April	Multiple locations
FLAMING SWORD A multinational exercise testing Special Operations Forces from NATO nations and partners, including Denmark, Estonia, Finland, Georgia, Latvia, Norway, Poland, Sweden, Ukraine, the United Kingdom and the United States.	1 – 20 May	Latvia, Lithuania
BRILLIANT JUMP DEPLOY 16 This exercise trained NATO's Very High Readiness Joint Task Force (VJTF) to quickly deploy where needed. It tested the deployment of the VJTF's land elements, from their home location in Spain to the Zagan Military Training Area in Poland. Around 2,500 troops participated.	17 – 26 May	Poland
SWIFT RESPONSE This US-led land and air exercise focused on crisis response training and interoperability. Around 9,000 troops from Belgium, France, Germany, Italy, the Netherlands, Poland, Portugal, Spain, the United Kingdom and the United States participated.	27 May – 26 June	Germany, Poland
BALTOPS 16 This US-led multinational exercise focused on interoperability with regional partner nations in the maritime, air and land domains. Around 5,800 troops participated, including from Belgium, Estonia, France, Germany, Italy, Latvia, Lithuania, the Netherlands, Norway, Poland, Spain, the United Kingdom and the United States as well as partners Finland and Sweden.	3 – 26 June	Baltic Sea
IRON WOLF This Lithuanian-led land training exercise involved NATO Allies Denmark, France, Germany, Lithuania, Luxembourg, Poland and the United States. Around 5,000 troops participated.	6 – 19 June	Lithuania
SABER STRIKE This US-led land exercise focused on interoperability and involved around 9,000 troops. Participating NATO nations included Canada, Latvia, Lithuania, Poland, the United Kingdom and the United States.	2 – 14 June	Estonia, Latvia, Lithuania

ANAKONDA This was the largest Allied exercise in 2016, involving around 31,000 troops, including air and land forces. The Polish-led exercise tested the readiness and interoperability of Polish Armed Forces with 18 participating Allies and five partners. This long-planned defensive exercise was one in a series which occurs every two years.	7 – 17 June	Poland
DYNAMIC MONGOOSE This was an annual NATO-led anti-submarine warfare exercise. It involved naval and air forces from Canada, France, Germany, Poland, Spain, Turkey, the United Kingdom and the United States, as well as host nation Norway. Nine surface ships, four submarines and four maritime patrol aircraft participated.	20 June – 1 July	North Sea
FLAMING THUNDER 2016 This annual Lithuanian-led live-fire exercise focused on artillery and mortar fire training. It involved troops from Estonia, Lithuania, Poland and the United States.	1 – 12 August	Lithuania
TOBRUK LEGACY This multinational exercise focused on integrating Allied air and missile defence systems. NATO Allies the Czech Republic, Hungary, Lithuania, Poland, Slovakia and the United States participated.	19 – 30 September	Slovakia
JOINT WARRIOR 16 This UK-led multinational exercise involved warships, aircraft, marines and troops. Standing NATO Maritime Group 1 and Standing NATO Mine Counter-Measures Group 1 participated.	6 – 16 October	Scotland
NOBLE ARROW This multinational air exercise focused on enhancing the interoperability of NATO forces in air operations and increasing the readiness of the NATO Response Force air components.	8 – 12 October	United Kingdom (West Coast of Scotland, North Atlantic, North Sea)
TRIDENT JUNCTURE 16 This multinational exercise aimed to train the troops of the NATO Response Force and other Allied forces to increase their readiness to respond to a wide range of challenges. The exercise also tested the VJTF.	24 October – 3 November	Italy

Capability Delivery

Many of the capabilities required to address today's challenges can be very expensive when pursued by individual countries. Multinational approaches to capability delivery not only distribute the costs but can also benefit from economies of scale. For NATO, multinational cooperation remains an important means of delivering the capabilities that Allies need. NATO actively supports Allies in the identification, launch and implementation of such cooperation.

Highlights of these efforts in 2016 include:

- Under the Smart Defence umbrella – an initiative launched in 2012 to facilitate multinational capability delivery – Allies completed four projects in 2016, bringing the total number of projects completed to 12.

- Through the complementary Evolved Approach to Multinational Cooperation, NATO is pursuing a political, top-down approach to fast-track new capability cooperation efforts. This work yielded important results in 2016:

  • Eight Allies signed a Memorandum of Understanding in February 2016 to acquire air-to-ground Precision-Guided Munitions (PGM), with a ninth Ally joining in October. The participating Allies have already launched the first round of multinational procurement for delivery in 2017-2019 and a second round is expected in 2017.

  • In the area of Special Operations Aviation, four Allies built on a broader cooperation initiative launched in 2015 by adopting a common approach to related training. The Chiefs of Defence of Bulgaria, Croatia, Hungary and Slovenia signed an arrangement for the creation of a multinational solution for training Special Operations Aviation forces.

  • At the Warsaw Summit, Poland and Turkey signed a Letter of Intent on multinational cooperation in the area of airborne escort jamming capabilities, the purpose of which is to increase cooperation to help protect Allied air assets through jamming of enemy radars and missile systems during Alliance missions. Given the high costs of developing this capability as well as the prospect for modular solutions, multinational cooperation is a compelling option in this area. It is anticipated that more Allies will join this effort in due course.

The Conference of National Armaments Directors (CNAD) – the senior NATO committee responsible for the promotion of armaments cooperation – celebrated its 50th anniversary in 2016. The CNAD focuses on enhancing interoperability, facilitating multinational cooperation and overseeing major NATO programmes – including the Ballistic Missile Defence programme and the Joint Intelligence, Surveillance and Reconnaissance initiative – in order to ensure the delivery of vital capabilities.

Integrated Air and Missile Defence

NATO Integrated Air and Missile Defence (NIAMD) is an essential, continuous mission in peacetime, crisis and conflict. It safeguards and protects Alliance territory, populations and forces against any air or missile threat, and makes an important contribution to the Alliance's deterrence and defence.

In 2016, the Alliance established a conceptual basis for integrating its air and missile defence systems. The new system provides the means for NATO's two IAMD peacetime missions: Air Policing and Ballistic Missile Defence. The implementation of the new Air Command and Control System and the further development of NATO's Ballistic Missile Defence have been important milestones in achieving this.

NATO declared that its Ballistic Missile Defence (BMD) had achieved Initial Operational Capability at the Warsaw Summit in 2016, meaning that the Alliance is better able to defend its populations, territory and forces against the increasing threat posed by ballistic missiles from outside the Euro-Atlantic area. A significant portion of the strengthened missile defence capability is represented by the Aegis Ashore site in Romania, which is now capable of 24/7 operations. This asset is complemented by other US BMD elements deployed in Europe, as well as by additional voluntary national contributions offered by European Allies.

The NATO Air Command and Control System (ACCS) has moved from the procurement and testing phase to the delivery phase. The validation period involving four countries is expected to be completed in 2017, and the delivery of ACCS to another 11 countries has already begun. The NATO Command Structure is also on course to declare Initial Operational Capability for ACCS in 2017, with a small number of command and control centres already using the system for operations.

Aviation

NATO is consistently adapting its approaches and structures to meet the demands of an evolving security environment. In order to develop a broader and more holistic approach to aviation, incorporating all technical, organisational, procedural and human factors, the North Atlantic Council established the Aviation Committee in January 2016. The Aviation Committee replaces the former Air Traffic Management Committee and is part of a total system approach towards aviation policy. This will contribute to the effectiveness of Allied air missions and to the mitigation of hazards and risks to safety and security in the air.

In 2016, efforts to implement NATO's airworthiness policy continued, ensuring that all aircraft operating for the Alliance are certified by a recognised airworthiness authority. Another focus area has been the assessment of how civil aviation projects such as the Single European Sky in Europe and the Next Generation Air Transportation System (NextGen) in the United States could affect the Alliance's missions and capabilities.

NATO has begun work to promote a coherent and consistent approach to unmanned aircraft systems across the Alliance. A new policy is being developed to ensure that NATO has the right organisational structures and cooperation mechanisms among its members, as well as with partners and international organisations.

Airborne Warning and Control System

As NATO's "eyes in the sky", the NATO AWACS (Airborne Warning and Control System) fleet is a crucial asset for the Alliance – highly mobile and able to respond quickly and effectively to different types of crises all over the world. AWACS support activities include airborne early warning, command and control, Joint Intelligence, Surveillance and Reconnaissance, and maritime situational awareness. By offering a full picture of the sky over a vast area, the E-3A capability has played an important role in numerous operations including in the United States after the 9/11 terrorist attacks, as well as in Libya and Afghanistan.

The NATO Airborne Early Warning & Control capability includes 16 NATO E-3A AWACS aircraft, and 16 NATO members currently support the programme.

In response to Russia's aggressive posture on NATO's eastern flank, the AWACS fleet is involved in reassurance measures in and close to the territory of NATO members in Central and Eastern Europe. These defensive measures are designed to reassure Allied populations and deter potential aggression.

On 5 October 2016, NATO AWACS aircraft flew their 1000th patrol mission over Eastern Europe.

In October, AWACS surveillance aircraft were deployed to Turkey to provide support to the Global Coalition forces in their fight against ISIL. The first NATO AWACS flight in support of the Coalition fighting ISIL took place on 20 October 2016. AWACS aircraft also supported Operation Active Endeavour, NATO's maritime counter-terrorism operation in the Mediterranean.

In Warsaw, NATO leaders agreed that AWACS will continue to be modernised and extended in service until 2035. The modernisation of NATO's AWACS fleet is vital to ensuring the security of all Allies, and will strengthen the Alliance's awareness and capacity for strategic anticipation. NATO is currently working on a successor programme to replace the NATO AWACS fleet in 2035: the Alliance Future Surveillance and Control system.

General characteristics of the Global Hawk remotely piloted aircraft:

- Primary function: High-altitude, long-endurance intelligence, surveillance and reconnaissance
- Power plant: Rolls-Royce North America AE 3007H turbofan
- Thrust: 7,600 lbs.
- Wingspan: 130.9 ft. / 39.8 m
- Length: 47.6 ft. / 14.5 m
- Height: 15.3 ft. / 4.7 m

- Weight: 14,950 lbs. / 6,781 kg
- Maximum take-off weight: 32,250 lbs. / 14,628 kg
- Fuel capacity: 17,300 lbs. / 7,847 kg
- Payload: 3,000 lbs. / 1,360 kg
- Speed: 310 knots / 357 mph / 575 kph
- Range: 8,700 nautical miles / 10,112 miles / 16,113 km
- Ceiling: 60,000 ft. / 18,288 m

Alliance Ground Surveillance

NATO's political and military commanders need access to accurate and reliable information. In 2016, NATO made tangible progress on Alliance Ground Surveillance (AGS), which will be the first NATO-owned and operated Intelligence, Surveillance and Reconnaissance system. AGS will perform persistent surveillance over wide areas from remotely piloted aircraft operating at considerable "stand-off" distances and in any weather or light conditions. Using advanced radar sensors, the system will be able to continuously detect and track moving objects and provide radar imagery of areas of interest on the ground and at sea. As such, AGS will complement NATO AWACS, which already monitors Alliance airspace.

The AGS programme represents an excellent example of transatlantic cooperation, thanks to the multinational industrial cooperation on which the programme has been founded. The AGS Core capability is being acquired by 15 Allies: Bulgaria, the Czech Republic, Denmark, Estonia, Germany, Italy, Latvia, Lithuania, Luxembourg, Norway, Poland, Romania, Slovakia, Slovenia and the United States.

The AGS Core will be an integrated system consisting of air, ground and support segments. The air segment includes five Global Hawk aircraft. The first NATO Global Hawk took off for its maiden flight in Palmdale, California in December 2015, followed by further test flights in June, July, and December 2016. The first NATO Global Hawk is expected to fly from the US to its new home in Sigonella in Italy in 2017.

Joint Intelligence, Surveillance and Reconnaissance

The Alliance has long recognised the fundamental importance of Joint Intelligence, Surveillance and Reconnaissance (JISR) to its strategic preparedness and the success of its operations and missions. However, lessons drawn from recent operations have highlighted NATO's limitations when it comes to building and sharing a common picture based on data collected by a wide variety of JISR assets.

Intelligence, Surveillance and Reconnaissance (ISR) plays a vital role in all military operations. Information and intelligence gained from surveillance and reconnaissance missions help decision-makers to make informed, timely and accurate judgments. While surveillance and reconnaissance can help to answer the questions "what", "when" and "where", the combined elements of various ISR sources and disciplines provide the answers to "how" and "why". Joint ISR is the combination of all these elements.

2016 was an important year for NATO's JISR capability. In February 2016, Allied Defence Ministers declared Initial Operational Capability for JISR. Initial Operational Capability is organised along three pillars: enhancing interconnectivity across NATO systems, improving training and expertise among NATO personnel, and implementing procedures for information handling and sharing. This milestone represents a significant achievement. By improving proficiency in collecting, processing and exchanging intelligence, the system can provide enhanced situational awareness for the NATO Response Force.

The JISR trial Unified Vision 2016 in June built upon these achievements and further evaluated and demonstrated the breadth of JISR missions. The trial involved over 400 participants from 17 countries and took place at ten different locations, including live and simulated JISR assets.

In October, Luxembourg announced that it will provide resources for the acquisition of servers to support the automated sharing of JISR information in a coalition environment. These servers will be fully owned and operated by NATO.

Unified Vision 2016

17 countries, 400 people, 380 workstations, 30 exploitation systems, 15 collection sensor systems, 10 dissemination & storage systems, 2 command & control systems

Locations: Canada, Denmark, France, Germany, Italy, the Netherlands, Spain, the United Kingdom and the United States. The command post was hosted by the United States Air Forces in Europe Warrior Preparation Center in Germany. Technical and subject-matter expertise was provided by the NATO Communications and Information Agency.

Live assets included the US Global Hawk, the Romanian Hirrus, and the Belgian B-Hunter remotely piloted air systems. A Danish Combat Support Ship also took part in the trial.

Facilitating National Capability Development

The overwhelming majority of military capabilities available for NATO operations are provided by NATO members. While national capability development is a sovereign responsibility, NATO plays an important supporting role in facilitating national capability development and delivery. In 2016, thousands of national experts gathered to exchange information, develop NATO standards, engage in cooperative trials and demonstrations, identify opportunities for multinational approaches and advance existing multinational efforts. This takes place primarily within the committee structure under the Conference of National Armaments Directors (CNAD) and the Military Committee and includes work undertaken within the Science and Technology Organization. These communities maintain and regularly update a portfolio of over 570 standards that provide NATO forces with the interoperability they need to work together efficiently and effectively.

Notable progress in 2016:

- In the land domain, progress was made in the areas of soldier-to-soldier situational awareness, jammers against radio-controlled improvised explosive devices, improving the ability of NATO forces to operate in degraded visual environments, and augmented reality for armoured vehicle survivability.

- In the maritime domain, NATO developed standards that will enable the first digital underwater communications network, which among other things will provide vastly improved support to autonomous and unmanned maritime capabilities. NATO also promoted multiple efforts to reduce shipbuilding costs while increasing operational flexibility and interoperability through modular ship design initiatives.

- In the air domain, the Alliance continued to improve aircraft survivability through trials on countering infra-red and radar-guided threats; efforts related to air-to-air refuelling; work on the development of the NATO Suppression of Enemy Air Defence capability; further development of ISR interoperability through the Unified Vision trial; and improvements to an Unmanned Aircraft Systems (UAS) capability through continued development of NATO standards and a NATO UAS Policy.

Anti-Submarine Warfare

Anti-Submarine Warfare (ASW) is a key capability area in which NATO is pursuing quantitative and qualitative improvements in order to keep pace with the evolving threat environment. In 2016, NATO initiated an effort to develop a more consistent, structured and coordinated approach to enhance the understanding across NATO of all ongoing and planned efforts related to ASW, as well as their interdependence. This effort highlighted the need for a concept that would help define a common "direction of travel" to better align NATO and national initiatives.

Other NATO ASW-related efforts in 2016 included:

- support to seven multinational cooperation projects

- experimentation and testing of innovative ASW solutions (for instance next-generation sonar and underwater gliders)

- development and maintenance of more than ten standards and doctrinal products

- sponsorship of over 20 science & technology and industry research projects

- conduct of seven large-scale NATO and multinational ASW exercises

Working with Industry

A stronger defence industry across the Alliance remains essential for the acquisition of needed capabilities. For the Alliance to keep its technological edge, it is of particular importance to support innovation, with the aim of identifying advanced and emerging technologies, evaluating their applicability in the military domain, and implementing them through innovative solutions.

Working with industry has helped NATO to guarantee Euro-Atlantic security for almost seven decades. This collaboration is vital to developing a state-of-the-art defence and technological industrial base in Europe and North America. Enhancing dialogue between NATO and industry is important, and is at the core of the Alliance's Framework for NATO-Industry Engagement.

The primary conduit for strategic dialogue with the defence and security industry is the NATO-Industry Forum. The Forum has become an annual flagship event where key policy makers from NATO, the EU, and NATO member states meet with senior executives from industry's leading companies, academia and think-tanks to discuss innovative solutions to capability needs. Belgium hosted the NATO-Industry Forum 2016 in November, which was chaired for the first time by the Secretary General. Drawing on key

decisions taken at the Warsaw Summit, discussions focused on meeting NATO capability priorities and on ways to improve command and control, as well as broader strategic issues including the role of industry in the development of a stronger European and transatlantic defence industrial base.

The NATO Industrial Advisory Group (NIAG), acting under the Conference of National Armaments Directors (CNAD), is an important contributor to this relationship and the main vehicle for industry's advice to NATO at the non-competitive stage. NIAG gives NATO access to nearly 5,000 companies, of which 80% are small- and medium-sized enterprises. In 2016, NIAG brought together more than 300 companies from both sides of the Atlantic to work cooperatively on a wide range of topics such as missile defence, non-lethal capabilities and big data. Their work provides industry with early insight into NATO's capability planning and needs, and will feed into future NATO capability development.

Industry also actively participates in NATO military exercises through the Industry Involvement Initiative for NATO exercises, known as I3X. Trident Juncture in 2015 was the first exercise to involve industry in this way; 21 companies took part in Trident Juncture 2016.

PROJECTING STABILITY

Providing for the security of the Alliance requires not only a strong deterrence and defence posture but also the ability to project stability and strengthen security beyond NATO's borders. For NATO, this involves a range of activities including providing training and support to countries such as Iraq and Afghanistan, conducting or contributing to missions on land, at sea and in the air, and cultivating relationships with partners around the world.

The Fight Against Terrorism

"We are resolute in our determination to prevent and defeat terrorism. We will do this by standing together, as open societies and as democracies."

North Atlantic Council statement
after the 22 March 2016 terrorist attacks in Brussels

The world continues to face a serious threat from terrorism – a global threat that knows no border, nationality or religion. While national authorities have a leading role to play, addressing this threat requires concerted effort and a cooperative approach, drawing on the strengths and capacities of a wide range of civilian and military actors – from local community groups to international organisations.

NATO's role in countering terrorism is multifaceted and provides an important complement to the vital work done by national authorities. It builds on experience from past operations, which has demonstrated the importance of building local capacity. It also builds on the advantages the Alliance has gained over decades including mechanisms for sharing intelligence and developing capabilities.

Contributing to the Fight against ISIL

Every NATO member is contributing to the Global Coalition to Counter ISIL. At the Warsaw Summit in July 2016, NATO leaders agreed to enhance the Alliance's contribution by providing surveillance and situational awareness. NATO's advanced Airborne Warning and Control System (AWACS) aircraft help generate an overall air picture for the Coalition, making the skies safer. The planes operate over Turkey or international airspace and are not involved in coordinating Coalition airstrikes or providing command and control for fighter aircraft. The first flight took place on 20 October 2016.

Support for Iraq

NATO supports Iraq through a number of programmes including the Defence and Related Security Capacity Building Initiative. This work with Iraq includes assistance in seven areas: countering improvised explosive devices (counter-IED), explosive ordnance disposal and demining; military medicine and medical assistance; advice on security sector reform; civil-military planning support to operations; civil emergency planning and preparedness; cyber defence; and military training. These areas were identified on the basis of requests for assistance made by the Iraqi authorities. Implementation of the capacity-building package has begun in all seven areas.

To ensure its efforts complement those of others, NATO works closely with the Global Coalition to Counter ISIL, the EU, the UN, and individual nations providing support to Iraq.

Support in 2016 included:

- In April, NATO began training Iraqi forces at the King Abdullah Special Operations Training Center in Jordan. Work has focused on the immediate priority areas of counter-IED, explosive ordnance disposal and demining; military medicine and medical assistance; security sector reform; and military training.

- Counter-IED training and related equipment is provided under the framework of NATO's Science for Peace and Security Programme, and a trust fund project was launched in September to provide equipment and equipment-specific training to the Ministry of Interior in Iraq.

- A NATO advisory support team initiated discussions with Iraqi counterparts in Jordan in November on civil emergency planning. The purpose of the discussions is to provide advice on the implementation of the Iraqi National Strategy for Disaster Management, and the development of an implementation plan.
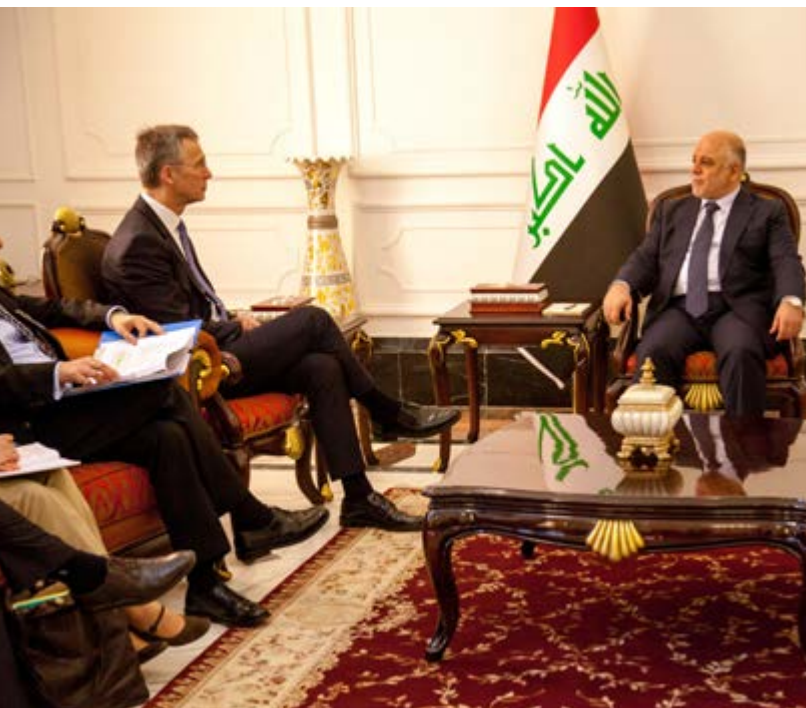
Support in the area of security sector reform is focused on assisting Iraq to develop a force structure that meets the requirements of its national security strategy within acceptable risk parameters set by the Iraqi government, but that is also achievable and sustainable.

Beginning in 2017, NATO will provide in-country training and capacity-building to Iraq alongside ongoing training in Jordan. Activities will initially focus on advanced counter-IED, explosive ordnance disposal and demining training, civilian-military planning support to operations, and assistance in developing plans for an affordable and sustainable force structure.

Afghanistan

NATO has been working in Afghanistan since 2003 to contribute to international efforts to enhance security and stability and ensure that the country never again serves as a safe haven for international terrorists. Following a joint agreement with the Afghan authorities, the International Security Assistance Force (ISAF) – NATO's longest and largest combat mission – concluded in December 2014 and full responsibility for the country's security was transferred to Afghan security forces and institutions. This marked a shift in NATO's role in Afghanistan but not a change in the Alliance's commitment to the country. Rather, it marked a new chapter in NATO's relations with Afghanistan.

On 1 January 2015, at the invitation of the new Afghan National Unity Government, NATO launched the non-combat Resolute Support mission (RSM) to train, advise and assist the Afghan National Defence and Security Forces.

Engagement in Afghanistan remains high on the Alliance's agenda. NATO's support continues to be essential, as part of a comprehensive effort by the international community as a whole to ensure that the country is able to sustain its own security, governance, and economic and social development, while respecting the human rights of all its citizens.

Resolute Support Mission in 2016

Efforts to provide training, advice and assistance continued in 2016, covering the security ministries and the higher levels of the army and police force structures. In March, General John Nicholson, Commander of the Resolute Support mission, was granted the flexibility to ensure that the Afghan security forces, including the Air Force and Special Operations Forces, can receive training, advice and assistance support at lower levels when and where it is most needed. Additionally, it was agreed that the Resolute Support mission could provide other non-combat support such as intelligence, surveillance and reconnaissance, medical evacuation, and logistical support to the Afghan National Defence and Security Forces.

There were around 13,000 troops, from 39 NATO member and partner countries, deployed in Afghanistan in 2016 as part of the Resolute Support mission. The announcements of continuing troop contributions at the 2016 Warsaw Summit by the United States and other nations demonstrated a clear commitment to sustain NATO's collective efforts in Afghanistan. The mission will continue into 2017 with similar troop levels in Kabul and in the regions.

NATO Allies and partners have significantly extended their yearly contributions to the funding of the Afghan security forces. At the NATO Summit in Warsaw, Allies and partners committed to continuing their support at least until the end of 2020. The international community will continue to contribute through two funds: the UN-run Law and Order Trust Fund and the NATO-run Afghan National Army Trust Fund. At the end of 2016, the total contributions to these two funds amounted to around USD 1 billion per year. The aim is to continue funding at or near these levels. Afghanistan itself is

committed to providing roughly USD 500 million a year and is set to progressively increase its share, as its economy grows, with the aim of assuming financial responsibility for its security forces by the end of 2024. The United States will continue to provide financial support on a bilateral basis.

Enduring Partnership

While the main focus in 2016 was on continuation of support of the Resolute Support mission and funding for the Afghan security forces, work continued on the long-term Enduring Partnership, which involves political dialogue and practical cooperation between NATO and Afghanistan.

The Enduring Partnership includes a series of agreed programmes and cooperation activities. Many of the programmes help to build Afghanistan's capacities, including professional military education programmes like NATO's Building Integrity and the Defence Education Enhancement Programmes. The Building Integrity Programme specifically aims to provide Afghanistan with practical tools to strengthen integrity, transparency and accountability, and reduce the risk of corruption in the defence and security sectors. Other areas of practical cooperation include civil emergency planning and disaster preparedness.

Afghan National Defence and Security Forces in 2016

The security situation in Afghanistan remains challenging. The commander of the Resolute Support mission has assessed that the Afghan government controls territory containing about two-thirds of the Afghan population while the Taliban controlled or influenced territory home to less than 10% of the population, with the remaining 25% contested.

In 2016, Afghan security forces continued to demonstrate operational effectiveness in carrying out their security responsibilities. Despite local setbacks, they acted decisively against advances by the Taliban, typically regaining territory quickly after it had been taken. There were no strategic losses of population centres or transit routes, for example. Afghan security forces prevented the Taliban from fulfilling their aim of capturing a provincial capital in 2016.

At the Warsaw Summit, Afghanistan committed to building upon recent achievements in empowering women to participate fully in all aspects of Afghan society, including service in the Afghan National Defence and Security Forces. Increased participation of women in security will contribute to the effectiveness of Afghan security forces and their capacity to serve the whole of the population.

At the same time, these forces suffered heavy casualties and severe attrition. While the Afghan government and its forces have shown they can control security across all the major population areas and major routes, the Afghan security forces are not yet sustainable in the long term without international assistance. This is why NATO and its operational partners are continuing to help Afghanistan to develop the tools and capabilities it needs and will continue to do so beyond 2016.

The Afghan Air Force continued to improve its capabilities in providing airlift, casualty evacuation and fire support. With the deployment of eight A-29 Super Tucano light attack aircraft and four additional MD-530 attack helicopters in 2016, the Afghan ground attack capability was nearly three times larger than it was in 2015. These additional aviation assets were bolstered by improved fire support integration with the development of Afghan tactical air coordinators at the Afghan National Army corps level.

Security at Sea

NATO's maritime activities were a key feature of its operations in 2016. These activities play a crucial role in deterring aggression. They also enable NATO to project stability more widely in areas of strategic interest to the Alliance and are an important aspect of the Alliance's contributions to the fight against terrorism.

Operation Sea Guardian

Operation Sea Guardian was launched in November 2016 following the completion of Operation Active Endeavour, a maritime operation initiated following the 9/11 terrorist attacks in the United States. With Sea Guardian, NATO has a more flexible maritime operation in place that is able to conduct a range of tasks, including maritime situational awareness, freedom of navigation, maritime interdiction, countering the proliferation of weapons of mass destruction, protecting critical infrastructure, countering terrorism at sea, and maritime security capacity building. Although it is currently operating in the Mediterranean, Sea Guardian can also be used elsewhere should the need arise.

Counter-piracy Activities

NATO's counter-piracy mission, Operation Ocean Shield, ended on 15 December 2016, having successfully contributed to the broad international community effort to combat piracy off the coast of Somalia for nearly a decade. At the height of the crisis, pirates were seizing dozens of ships each year and crews taken hostage were often held for months or years. Safety and security at sea were compromised and terrorists benefited from revenue

raised from the use of ports under their control. Since May 2012, thanks to counter-piracy activities including Operation Ocean Shield, there have been no successful piracy incidents in the area, and NATO has been able to declare that the mission achieved its objectives. However, NATO is prepared to step in once again if there is a resurgence in piracy. The Alliance will retain maritime situational awareness in the Indian Ocean and continue to build on the close cooperation it has developed with countries and other entities in the region.

NATO-EU Cooperation in the Aegean

Since early November, as one of its first tasks, Sea Guardian has been providing logistics support and information to the European Union's Operation Sophia. This cooperation builds on the success NATO has had in cooperating with the EU to help stem the flow of illegal migrants and human trafficking in the Aegean Sea. Following a request from Germany, Greece and Turkey, NATO Defence Ministers agreed on 11 February 2016 to assist with the growing refugee and migrant crisis. Within days, vessels attached to Standing NATO Maritime Group 2 were deployed. Allies then reinforced the activity with additional ships.

Throughout 2016, NATO ships provided daily information, surveillance and reconnaissance in the Aegean Sea to help Greece, Turkey and the EU's border agency Frontex take more effective action to stop human traffickers. While many factors have contributed to the significant drop in migrant flows, NATO's naval presence has made a real difference.

Supporting Regional Resilience in the Middle East and North Africa

NATO works with partners around the world on issues of mutual interest. In the Middle East and North Africa, NATO has partnerships with Algeria, Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia through the Mediterranean Dialogue, and with Bahrain, Kuwait, Qatar and the United Arab Emirates through the Istanbul Cooperation Initiative. Both of these partnership frameworks offer opportunities for practical cooperation including efforts to build capacity, enhance resilience, and support the fight against terrorism.

Mediterranean Dialogue

Practical cooperation with the Mediterranean Dialogue countries in 2016 included progress in counter-terrorism, the modernisation of the armed forces, civil emergency planning and crisis management, education and training, cyber defence, scientific cooperation and military cooperation.

One of the mechanisms NATO uses to support work with partners is the Science for Peace and Security Programme. At the end of 2016, 26 activities with Mediterranean Dialogue partners were ongoing through this programme. These activities range from the development of advanced, security-related technologies with Israel to the provision of training and equipment for advanced detection and access to remnants of war (including landmines) in Egypt to the benefit of civilian development in the area. Another project establishing a National Crisis Management Centre in Mauritania was completed in November. A "train-the-trainers" course using live chemical agents prepared first responders from Egypt, Jordan and Tunisia to respond to chemical, biological, radiological and nuclear (CBRN) incidents. Additional activities with Algeria and Tunisia are under development and will respond to national priorities including cyber defence, counter-terrorism and defence against CBRN agents.

Through NATO's Joint Force Command in Naples, in 2016 mobile training courses were provided to Egypt on countering terrorism and to Jordan, Mauritania, Morocco and Tunisia on countering insurgency. Pilot projects have also been launched for the training of the Tunisian Special Operations Forces and for

advice related to the establishment of the Tunisian Intelligence Fusion Centre, responding to Tunisia's specific needs in the area of counter-terrorism.

Defence Capacity Building in Jordan

As part of the Defence and Related Security Capacity Building Initiative, NATO provides a tailored package for Jordan, through which it supports development of the Jordanian Armed Forces' capabilities in key areas including: information protection, cyber defence, military exercises, counter-IED, communications, command and control, harbour protection, and defence-related border security.

Specific activities in 2016 included:

- Jordan's increased participation in NATO military exercises has contributed to further enhancing the interoperability of the Jordanian Armed Forces with NATO.

- The Science for Peace and Security Programme has provided extensive support to implement and further develop Jordan's cyber defence strategy. A national Computer Emergency Response Team has been established, supported by equipment provided by the Programme. Jordan was also invited as an observer to the 2016 edition of Cyber Coalition - NATO's flagship cyber defence exercise.

- A project to provide further training and advice to Jordan on strengthening its counter-IED capabilities has been under development.

- In May, a NATO Civil Emergency Planning Advisory Support Team visited Jordan and provided advice on improving crisis management structures and procedures within the Jordanian National Centre for Security and Crisis Management. Based on the team's recommendations, an implementation plan was developed, identifying areas for longer-term support.

- A five-year project aimed at supporting the Jordanian Armed Forces' logistics system, through the implementation of the NATO codification system, was launched in October.

Consultations with Jordan at NATO Headquarters in June 2016, and further discussions with Allies, indicated that there is scope for expanding and updating assistance to Jordan. A NATO team visited Jordan in November to further discuss the potential for updating the capacity-building package with the Jordanian authorities and proposals are in development.

Istanbul Cooperation Initiative

NATO continued to work with countries in the Gulf region through the Istanbul Cooperation Initiative (ICI), improving dialogue and increasing practical cooperation. Activities in 2016 were conducted in areas including education and training, energy security, cyber defence, non-proliferation and arms control (including WMD), maritime security, civil emergency planning, and the exercise planning process. Seven mobile training courses were conducted in ICI countries in fields such as civil-military cooperation, military aspects of civil emergency planning and exercise planning.

In 2017, a new NATO ICI Regional Centre will open in Kuwait to facilitate enhanced practical cooperation between NATO and the countries in the region. The Centre will foster cooperation in the fields of strategic and policy analysis, military-to-military cooperation, civil emergency planning and consequence management, public diplomacy and cultural awareness. It will also provide further opportunities for dialogue with ICI countries, as well as with Oman, Saudi Arabia and the Gulf Cooperation Council.

**Defence Against Terrorism
Programme of Work
2016 Activity Domains**

A number of Smart Defence projects relate directly to counter-terrorism capabilities including biometrics, route clearance, and equipment to jam improvised explosive devices.

In seeking to remain innovative and involve the defence industry in developing the right capabilities early on, the Defence Against Terrorism Programme engages in regular dialogue with industry representatives. Industry contributes at demonstrations and trials and, in some cases, even directly to NATO projects. This community of interest also includes entities such as the United Nations, Interpol, the World Customs Organization and US-based Homeland Security Investigations. There is also extensive cooperation with NATO Centres of Excellence, particularly those for defence against terrorism (Turkey), countering improvised explosive devices (Spain), explosive ordnance disposal (Slovakia), CBRN defence (Czech Republic), human intelligence (Romania) and military engineering (Germany).

NATO engages with partner countries and other international actors to promote a common understanding of the terrorism threat and to support partners' capacity to fight terrorism more effectively. In 2016, the annual Counter-Terrorism Information Day held at NATO Headquarters in November involved more than 30 partners with a declared interest in cooperation with NATO on this issue. NATO has particular strengths in civil-military areas and continues to reach out to partners to help identify vulnerabilities and build their capacity to face terrorist threats. In addition, NATO's Science for Peace and Security Programme supported workshops on topics such as "Foreign Fighters: A Threat to NATO Allies and their Neighbours" and "Countering Recruitment during Armed Operations".

NATO is continuously working to improve awareness and understanding of the terrorist threat among Allies through consultations, intelligence-sharing, and strategic analysis and assessments. At the NATO Summit in Warsaw, Allies agreed to continue enhancing the exchange of information on returning foreign fighters. To improve NATO's ability to draw on a wide range of intelligence resources, Allies agreed in July to establish a new Joint Intelligence and Security Division to be led by an Assistant Secretary General for Intelligence and Security. While the office will not focus solely on counter-terrorism, the new Assistant Secretary General will direct NATO's intelligence and security activities, ensuring better use of existing personnel and resources, while maximising the efficient use of intelligence provided by Allies.

In addition to sharing intelligence and building a better understanding of the threat faced, NATO uses its capability development mechanisms to ensure that it has adequate tools to prevent, protect against, and respond to terrorist threats. Through the Defence Against Terrorism Programme of Work, NATO works to ensure it develops the right capabilities, has access to innovative technologies, and makes appropriate improvements to operational procedures.

KFOR

The Alliance remains committed to the security of the Western Balkans region. In Kosovo, the NATO-led Kosovo Force (KFOR) has continued to support wider international efforts to build peace and stability in the region, under United Nations (UN) Security Council Resolution 1244. Dating back to 1999, KFOR is NATO's longest-lasting operation and aims to:

- contribute to a safe and secure environment
- support the international humanitarian effort and coordinate with the international civil presence
- support the development of a stable, democratic, multi-ethnic and peaceful Kosovo
- support the development of the Kosovo Security Force

In 2016, approximately 4,500 troops from 31 NATO member and partner countries worked together to uphold a safe and secure environment in Kosovo, and to maintain freedom of movement for all its citizens and communities.

KFOR's primary role remains that of a "third responder", providing support as needed to the Kosovo authorities and the European Union Rule of Law Mission (EULEX). However, thanks to the significantly improved security situation, KFOR was at no time during the year required to intervene.

There is still one property with special status designation[3] in Kosovo that is protected by KFOR. KFOR is now also able to provide support to crisis response efforts, if and when circumstances allow. For instance, in August, KFOR provided engineering and logistic assets to the former Yugoslav Republic of Macedonia[4] when the country was hit by heavy floods. In November, a helicopter assigned to KFOR carried out an emergency medical evacuation of a newborn baby from a hospital in Pristina to another in Belgrade.

More broadly, NATO fully supports the EU-facilitated dialogue that began in 2013 between Belgrade and Pristina, which represents an important opportunity to normalise relations. Several agreements have already been signed by both parties and their full implementation is now key. In 2015, the Stabilisation and Association Agreement between Kosovo and the EU also entered into force.

Under the framework of the Balkans Aviation Normalisation Meeting process, efforts are also underway to identify solutions for the normalisation of the lower airspace over Kosovo in coordination with relevant national authorities and representatives of the EU and the international aviation community.

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3   The Orthodox Monastery of Deçan/Dečani is the last of nine properties with special status designation in Kosovo.

4   Turkey recognises the Republic of Macedonia with its constitutional name.

As part of the wider challenges in the Western Balkans, Kosovo has also had to address the threat of growing extremism, radicalisation, and the return of foreign fighters, though there have been no terrorist incidents. KFOR's presence remains essential for projecting stability in the region.

Capacity-building Efforts in Kosovo

NATO's role in Kosovo also involves capacity-building efforts. NATO has supervised the stand-up and training of a multi-ethnic, professional and civilian-controlled Kosovo Security Force (KSF). The KSF is a lightly-armed volunteer force, with no heavy weapons such as tanks or heavy artillery and no offensive air capability. It has primary responsibility for security tasks such as emergency response, explosive ordnance disposal, management of hazardous material, fire-fighting and civil protection. NATO support is provided by the NATO Advisory and Liaison Team which consists of approximately 40 military and civilian personnel. Based in Pristina, this body was set up in 2016 and is providing practical assistance and advice to the security organisations in Kosovo in areas such as logistics, procurement and finance, force development and planning, and leadership development.

Projecting Stability through Values

NATO is an alliance of values, including individual liberty, human rights, democracy and the rule of law. These shared values are essential to what NATO is and what it does. Giving due attention to issues such as protection of civilians, children in armed conflict, and gender perspectives in NATO's operations and missions illustrates the Alliance's commitment to upholding international humanitarian law, while, at the same time, making Allies more resilient and effective.

Protection of Civilians

Protecting civilians from the effects of armed conflict is a moral imperative. In order to ensure continued fulfilment of this commitment, Allied leaders endorsed the first NATO Policy for the Protection of Civilians at the 2016 Warsaw Summit. The aim of the policy is to provide mechanisms that help the Alliance and its partner nations to avoid, minimise and mitigate negative effects on civilians from NATO-led military operations, and where applicable, to protect civilians from conflict-related physical violence or threats of physical violence.

To achieve this, the policy identifies specific areas in which the protection of civilians should be included, for example, when capturing lessons learned, during training of deployed troops, during the planning and execution of exercises and operations, and when refining NATO military doctrine. Substantial consultations with international partners, including the United Nations and the International Committee of the Red Cross, were conducted during the preparation of the policy.

Work is underway to develop an action plan to ensure the widest possible implementation of the plan across the Alliance. Once the policy has been endorsed, the North Atlantic Council will review progress every 12 to 18 months and, where necessary, establish new goals to further advance civilian protection measures.

Children in Armed Conflict

At the Warsaw Summit, NATO Heads of State and Government reaffirmed the importance of protecting children during NATO-led operations and missions, pledging to expand training, exercise, and education opportunities in cooperation with the United Nations. 2016 saw ambitious ongoing efforts to implement UN Security Council Resolution 1612 and related resolutions.

NATO Military Authorities reported significant progress in operationalising the priorities outlined in a policy agreed in 2015: *The Protection of Children in Armed Conflict - Way Forward.* Examples include the appointment of a specialist in children and armed conflict at the Supreme Headquarters Allied Powers Europe (SHAPE), and the development of an online awareness course for pre-deployment training purposes. Cooperation with the United Nations (UN) on the issue continued, including when the UN Secretary-General's Special Representative for Children and Armed Conflict, Ms. Leila Zerrougui, was invited for an exchange of views with Allies and partner nations in January.

On the operational level, the Resolute Support mission recently reviewed its training on children and armed conflict to ensure that the Afghan National Defence and Security Forces are aware of their obligations. As part of this effort, a specialist advisor on children and armed conflict was deployed to Afghanistan in April – a first for a NATO-led mission. This appointment represents another opportunity to deepen engagement with senior Afghan officials and security forces on this issue as awareness with local forces is a high priority.

Gender in NATO-led Military Operations

Incorporating gender perspectives into analysis, planning, execution, assessment and evaluation of NATO-led military missions increases operational effectiveness. In 2016, NATO continued to deploy full-time, trained Gender Advisors to operations and missions at strategic, operational and tactical levels. The role of a Gender Advisor is to raise awareness of the different needs and contributions of women, men, girls and boys in a conflict or post-conflict environment.

NATO's International Military Staff Office of the Gender Advisor collected data in 2016 depicting the status of Gender Advisors in 2015.

- There were 440 trained Gender Advisors in NATO member countries.
- 33 Gender Advisors were deployed on operations or missions.
- 73% of NATO member states included gender dimensions in operational planning.
- 92% of NATO member states included gender dimensions in pre-deployment trainings and/ or exercises.

NATO is committed to establishing a network of Gender Focal Points (GFPs) to complement and assist the work of Gender Advisors. In all Allied Command Operations Headquarters, GFPs are working actively in their respective areas of responsibility. At Resolute Support Headquarters in Kabul, 24 GFPs were deployed throughout 2016. KFOR appointed a total of 63 GFPs in its headquarters and subordinate units, and five to six within each Joint Regional Detachment and Multinational Battle Group. This is a significant increase from 2015, when 33 GFPs were deployed in KFOR's headquarters and subordinate units, and two to four within each Joint Regional Detachment and Multinational Battle Group.

PROJECTING STABILITY

Cultivating Partnerships

NATO maintains a broad and diverse network of partnerships with countries in the Euro-Atlantic region and beyond. In 2016, partners continued to be involved in many of the core activities that take place at NATO.

Partners have been integrated across NATO's activities and agenda, often contributing side-by-side with Allies. Through its partnerships, NATO helps countries to strengthen their ability to safeguard their own security, both at home and as part of international missions.

Partnership offers many advantages to Allies and partners alike:

- enhanced situational awareness through political consultation and intelligence-sharing

- participation in exercises and training for future operations and missions

- contributions to current operations

- cooperation to analyse and understand lessons from past operations and apply those lessons in policies for future operations

- cooperation on cutting-edge capability development and research

- contribution to the realisation of a broad vision of security:

  • integrating gender perspectives into security and defence

  • fighting corruption in the defence sector

  • working on efforts to control or destroy arms, ammunition and unexploded ordnance

  • collaborating on joint scientific projects

Consulting and Working Together

Political dialogue is fundamental to partnership. It helps develop mutual understanding between NATO and partners, it enriches NATO's situational awareness, and it ensures partners understand NATO's positions and are able to contribute to policy discussions on common security challenges.

Consultation is fundamental to the way NATO works with its partners, just as it is among the 28 Allies. In the same way that Allied consultations take place in a broad range of committees and at different levels, so partners participate in these committees on a regular basis, from the level of Heads of State and Government to technical working groups. The North Atlantic Council met with partners 28 times in 2016, often with partner country ministers present.

At the most senior level, the Secretary General, the Deputy Secretary General, the Chairman of the Military Committee and both of NATO's Strategic Commanders meet with partner Heads of State and Government, foreign ministers, defence ministers, as well as other high-level officials. In 2016, the Secretary General met with counterparts from 17 partner nations, and travelled on official visits to Finland, Georgia, Montenegro, Serbia and Sweden, while the Deputy Secretary General met with counterparts from 11 partner nations and paid official visits to Japan, Morocco, Qatar, Sweden, Ukraine, and for the first time for a NATO Deputy Secretary General, Mongolia.

Nineteen partners maintain missions on the NATO Headquarters campus in Brussels. This facilitates consultation between NATO and partner officials at all levels. Officials from partner countries are also integrated into NATO staffs, working side-by-side with their counterparts. In 2016, more than 40 military officers from 12 Partnership for Peace countries worked in NATO Headquarters and the NATO Command Structure.

Open Door

NATO's Open Door Policy is a founding principle of the Washington Treaty and one of the Alliance's great successes. Since its founding in 1949, NATO has grown from 12 members to 28. NATO's door is open to all European democracies that share the values of the Alliance, are willing and able to assume the responsibilities and obligations of membership, are in a position to further the principles of the Treaty, and whose inclusion can contribute to the security of the North Atlantic area.

In December 2015 Montenegro was invited to begin accession talks to join NATO. These talks were completed in spring 2016, and Allies signed the Accession Protocol on 19 May 2016. Montenegro is being integrated into NATO activities, and is participating in the work of most NATO committees, including the North Atlantic Council. Once all Allied governments have ratified the Accession Protocol, which is expected to be completed in 2017, Montenegro can accede to the Washington Treaty, becoming a full member of NATO.

Montenegro's membership will enhance the security of the Western Balkans region, an area of key importance to the Alliance. The invitation to Montenegro is a clear sign that NATO's door remains open to those countries that want to join and that meet the criteria of membership.

Work continues with other countries that aspire to join the Alliance – Bosnia and Herzegovina, Georgia and the former Yugoslav Republic of Macedonia[5] – to help them prepare for NATO membership. NATO has a strong programme of cooperation with each aspiring member state to help it carry out the reforms necessary for membership.

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5   Turkey recognises the Republic of Macedonia with its constitutional name.

Improving Interoperability, Building Capacity

NATO is more secure when its neighbours are more stable. At the Warsaw Summit, the Alliance took important decisions to help its partners provide for their own security, defend against the threat from terrorism, and build resilience against the security challenges they face. NATO's efforts are designed to complement those of individual Allies, as well as those of the United Nations and the European Union.

Interoperability

Partner countries make significant contributions to many of the Alliance's operations and missions. In addition to helping NATO's partners improve their ability to secure their own territory and borders, the Alliance assists partners in developing interoperability with forces from NATO countries. That, in turn, facilitates their participation in NATO-led operations and missions. This is a key element of cooperative security, one of NATO's core tasks.

The Alliance launched two important initiatives at the Wales Summit in 2014 that underscore this commitment to cooperative security: the Partnership Interoperability Initiative and the Defence and Related Security Capacity Building Initiative.

The Partnership Interoperability Initiative

The Partnership Interoperability Initiative helps to preserve and deepen links between NATO and partner forces developed during joint operations. This helps ensure that partners are able to contribute, if necessary, to future NATO-led operations and to the NATO Response Force.

The initiative includes an Interoperability Platform, a standing forum for cooperation with 25 partners selected based on their contribution to NATO operations or their interest in improving their ability to work with NATO. The Platform allows Allies and partners to discuss projects and issues that affect interoperability – such as command and control systems or logistics – as well as ways to deepen interoperability using education, training, exercises and evaluation. Allies and partners meet in this format across those NATO committees that work on interoperability.

In 2016, NATO committees met with the Interoperability Platform in nine different formats and on 50 separate occasions. This included two meetings with the North Atlantic Council – one at the level of Defence Ministers at the Warsaw Summit and one at the level of Chiefs of Defence in the Military Committee.

The Partnership Interoperability Initiative also offers specific partners enhanced opportunities for deeper cooperation. Five partners (Australia, Finland, Georgia, Jordan and Sweden) currently have access to enhanced cooperation, which includes tailored consultation on security matters and close participation in exercises. All five Enhanced Opportunities Partners participated at the NATO Summit in Warsaw, and each participated in at least one of the four NATO ministerial meetings held in 2016.

Planning and Review Process

The Planning and Review Process (PARP) provides a structured approach for developing interoperability and capabilities of partner forces that might be made available for NATO training, exercises or operations. Twenty partner nations take part in the PARP. Under this process, Allies and partners together negotiate and set planning targets, known as Partnership Goals, for a partner country.

In 2016, new Partnership Goals were agreed between Allies and 18 partners. Each Partnership Goal document contains a short update on the partner's plans and policies, an assessment of progress on previously agreed goals, and a set of updated, individually tailored Partnership Goals.

In preparation for the PARP assessment cycle, which will take place in 2017, a new detailed and comprehensive PARP Survey was agreed and sent to the partners.

The Process also provides a framework through which NATO can assist partners in developing effective, affordable and sustainable armed forces, as well as in promoting wider defence and security sector reforms.

Operational Capabilities Concept

The Operational Capabilities Concept is a key pillar of interoperability development for partners. The Concept helps partners' defence forces to adapt to NATO standards and improve their ability to contribute to NATO-led crisis response operations.

It is a mechanism designed to evaluate partner forces and provide feedback to partner countries on how to implement NATO standards in national doctrine development, procurement and training. Evaluations are conducted jointly by partners and NATO. Based on evaluation and feedback, partners may declare forces and capabilities available for NATO-led operations.

Through the Operational Capabilities Concept (OCC), staffs from partner and Allied countries, as well as from Alliance headquarters, are also able to establish strong peacetime working relationships that help the integration of partner forces into future NATO-led missions and operations.

Participation in the OCC is voluntary. In 2016:

- the database of declared partner forces in 2016 included 12,700 personnel in 92 units (navy, land and air units, ranging from platoon- to battalion-sized units, surface ships, submarines, medical units and air fighter units)
- 17 of NATO's partners participated and the programme evaluated 41 partner units, up from 38 in 2015
- 84 new OCC evaluators from NATO commands were trained
- a pool of forces was generated: units that partners declared to NATO as potentially available for participation in NATO exercises, operations and the NATO Response Force

Training

The Partnership Cooperation Menu

Education and training programmes are essential to the Alliance's partnerships, helping to improve the ability of NATO and partner countries to work together at all levels. They help forces from partner countries to meet their peers from Allied countries and to become familiar with NATO standards and procedures.

Partners can choose from a vast range of training events and courses listed in a yearly rolling programme of cooperation called the Partnership Cooperation Menu. Choosing events that match their individual training and education needs helps partners prepare for future cooperation with NATO in missions and operations.

In 2016, the Partnership Cooperation Menu offered 1,471 separate events across 35 specific areas of cooperation. The events were held in 59 different Allied and partner countries, and more than 4,600 officers from partner countries participated.

The Partnership Training and Education Centres

Allied and partner nations have set up specific recognised Partnership Training and Education Centres that are open to Allies and partners alike. Together they form a unique community of education and training. With 31 institutions in 25 countries, the community is leading innovation and capacity-building in many fields of education and training. Collectively these centres conduct more than 200 courses per year, including expeditionary mobile education and training teams that reach an audience of more than 3,000 officers every year.

The Defence Education Enhancement Programme

Education and training are crucial agents for reform in countries with which NATO has a partnership cooperation plan. The Defence Education Enhancement Programme is a platform to connect expertise providers to defence education institutions in countries that seek to become intellectually interoperable with NATO. This includes sharing knowledge in the development of concepts, doctrines and practices.

Based on requests from individual countries, NATO conducted tailored Defence Education Enhancement Programmes in 2016 hosted by 11 countries, with the support of more than 350 experts from approximately 75 defence education institutions.

To date, the Programme has prepared more than 770 Non-Commissioned Officers instructors with newly developed NATO standard courses.

- Building on a successful programme for officers in Ukraine, in 2016, the Programme began implementing an assistance package for Non-Commissioned Officers (NCO) with the aim to build a fully professional NCO corps by 2022.

- In the context of an Austrian-led Defence Education Enhancement Programme with Serbia, Serbian experts advise Armenian participants how to combine military and academic education for their officers.

- Through the Defence Education Enhancement Programme, Mongolia developed a new curriculum for staff officers at the National Defence University.

Exercises with Partners

In addition to the variety of education and capacity-building programmes offered to partners, joint exercises and training are key in order to ensure that NATO's partners will be able to work together with the Alliance in operations and missions. Seventeen high-level NATO exercises were open to partners in 2016.

The Defence and Related Security Capacity Building Initiative

The Defence and Related Security Capacity Building Initiative is based on the Alliance's long experience of advising and assisting its partners and in providing training, education and mentoring programmes.

The Initiative reinforces NATO's commitment to partners with assistance beyond what is offered through other programmes. As such, it helps to strengthen NATO's contribution to international security, stability and conflict prevention. It is an important tool for projecting stability beyond NATO's borders and enables NATO's partners to enhance their resilience and to provide for their own security.

The Initiative employs the expertise of NATO members, as well as contributions from specific partner countries, including resources and political support. In addition, NATO engages with other international organisations, such as the UN, EU and OSCE, to ensure complementarity of effort.

The work of the Initiative is guided by requests for support from partners. In addition to the packages in support of Iraq and Jordan outlined in an earlier section of this report, NATO supports tailored programmes for Georgia and the Republic of Moldova under this Initiative. In Warsaw, Allies also restated their readiness to provide Libya with advice on defence and security institution building, if formally requested by the Government of National Accord.

Georgia

Defence capacity building for Georgia is provided through the Substantial NATO-Georgia Package. The package includes the establishment of a Joint Training and Evaluation Centre, a Defence Institution Building School, and a Logistics Facility. It also provides expert advice in the areas of acquisition, strategic and operational plans, Special Operations Forces, military police, cyber defence, maritime security, aviation, air defence and strategic communications. The package also covers support and contributions to NATO exercises in Georgia, which are open to partners. At the Warsaw Summit in 2016, NATO leaders agreed on additional practical ways to intensify capacity-building support to Georgia, including through support to Georgia's crisis management capabilities.

Implementation of the package began in December 2014 with the establishment of the Defence Capacity Building Core Team in Tbilisi. The first NATO-Georgia military exercise open to partners, Exercise Agile Spirit, was held in July 2015, and the second one in November 2016.

The Joint Training and Evaluation Centre, inaugurated in August 2015, aims to strengthen Georgia's capacity to address a range of threats. It is designed to improve the interoperability of Georgian and Allied forces and to contribute to regional

security cooperation. It is open to NATO partners. In 2016, the Centre conducted 11 live company-level training exercises of the Georgian Armed Forces, conducted pre-deployment training for a Georgian battalion and two companies in advance of their deployment to NATO's Resolute Support mission, established an institutional mentoring affiliation with NATO's Joint Force Training Centre in Bydgoszcz, Poland, and has become an integral part of Georgia's Training and Military Education Command.

The implementation of the Defence Institution Building School initiative has made good progress, partly as a result of support from the Netherlands Institute of International Relations in The Hague. NATO experts and their Georgian counterparts are developing the school's strategic concept, setting out a long-term plan and identifying what is needed for its further development.

Work also began on other initiatives, as part of which experts are assessing Georgia's current and future capabilities and providing advice and support on their improvement.

The implementation of support for the Republic of Moldova will be delivered in two phases. In the first phase NATO is advising and assisting in the establishment of a national security strategy, as well as the design of defence plans, force structures and assessments of capability needs. In a second phase, NATO will continue to provide advice and assistance on specific elements of the transformation of Moldova's armed forces. NATO will also deepen support to Moldova in the areas of cyber security, defence education, building integrity, and ammunition storage and safety.

NATO experts are assisting Moldovan authorities in developing political and strategic guidance for the defence sector and the development of the armed forces. A visit in September 2016 supported the development of the National Security Strategy, the National Defence Strategy, and the Military Strategy and another in November assisted in developing force structure options.

In the area of cyber defence, a state-of-the-art cyber defence laboratory was inaugurated at the Technical University of Moldova in October 2016 under the framework of a Science for Peace and Security Programme project. The laboratory will serve as a training centre for civil servants from Moldovan defence and security institutions. It will also be made available to young scientists and researchers of the University. The Programme also launched a project in October to support the implementation of UN Security Council Resolution 1325 on Women, Peace and Security in Moldova through the development of a National Action Plan.

The Defence Education Enhancement Programme supported the creation of a PhD programme at the Moldovan Military Academy. A team of experts travelled to Moldova in October 2016 for a scoping visit on the state of the current education system for Non-Commissioned Officers.

Supporting stability

Support to the African Union

NATO continued to provide practical assistance to the African Union (AU) throughout 2016. Cooperation between NATO and the AU began in 2005 following a request for assistance to provide logistics and airlift support for the AU mission in Darfur. Since then, cooperation has increased across a range of areas. At the request of the AU, NATO provides various forms of assistance including planning and support for the AU's current operations, as well as for its peacekeeping capabilities.

In 2016, the Alliance's support was focused on assisting the AU in building military capacity. NATO support covers areas such as multinational training and operational planning and support to the African Standby Force, which is part of the AU's efforts to develop long-term peacekeeping capabilities.

NATO offers tailor-made training to the AU through mobile training teams. Courses are conducted by NATO experts on topics such as operational and exercise planning. Building on the success of a first training course undertaken in 2015, NATO dispatched a training team to Addis Ababa, Ethiopia in summer 2016 to train personnel from the AU and its Regional Economic Communities.

NATO has a continuing mandate to provide air and maritime lift support to the AU Mission in Somalia (AMISOM).

NATO maintains an office in Addis Ababa. In addition, NATO experts are seconded to the AU Peace and Security Secretariat, which has responsibility for all AU peace-support operations and missions.

personnel landmines, 2 million hand grenades, 626,000 small arms and light weapons, clearance of over 4,120 hectares of mines or unexploded ordnance, and retraining assistance given to some 12,000 former military personnel.

Specifically in Ukraine, as part of the response to the Russia-Ukraine crisis, NATO member states established (in 2014 and 2015) NATO Trust Funds to assist Ukraine in the areas of command, control, communications and computers (C4); logistics and standardization; cyber defence; military career transition; medical rehabilitation; disposal of radioactive waste; and explosive ordnance disposal and countering improvised explosive devices. Implementation of the work supported by these Trust Funds is ongoing.

Trust Funds

Trust Funds are one of NATO's most effective partnership tools. Individual NATO member states and partners set up Trust Funds to provide resources to help partner countries implement practical projects in the areas of demilitarization, defence transformation or capacity-building. Any partner country with an individual programme of partnership and cooperation with NATO may request assistance. A specific Trust Fund can then be established to allow other countries to provide financial support on a voluntary basis or to make in-kind contributions, such as equipment or expertise.

These Trust Funds help partners in many ways, enabling:

- safe destruction of surplus and obsolete anti-personnel landmines, weapons and munitions
- capacity-building in areas such as demining and munition stockpile management
- support to wider defence transformation initiatives, such as the resettlement of former military personnel, promoting transparency and gender mainstreaming

NATO is one of the biggest demilitarization organisations in the world in terms of the numbers of military equipment it helps destroy – from pistols to landmines. Partnership for Peace Trust Funds have been ongoing for 16 years with impressive results, including the destruction of 5.2 million anti-

In addition to the eight Partnership for Peace Trust Funds that are ongoing, two new Trust Fund projects were launched in 2016, in Jordan and Armenia.

- The Jordan IV Trust Fund helps Jordan to attain self-sustaining ammunition demilitarization capacity, training locals to take on disposal of ammunition without the need for ongoing external assistance. This builds on the work done through two earlier Trust Fund projects for Jordan. The project will support the development of the Jordanian demilitarization centre, provide additional test equipment capacity for analysing legacy ammunition systems, and support the destruction of 240 tonnes of ammunition identified as unsuitable for service.

- The Armenia I Trust Fund focuses on the demilitarization, dismantling and disposal of 140 decommissioned military vehicles, as well as the disposal of 21 armoured combat vehicles. The project also delivers education on explosive remnants of war and the risks from mines to the Armenian population, helping civilians understand how to identify mines and what measures to take.

Support to Ukraine

NATO's partnership with Ukraine began in 1991 and was strengthened in 1997 with the signing of the Charter on a Distinctive Partnership and the establishment of the NATO-Ukraine Commission. In response to the Russia-Ukraine conflict, NATO has reinforced its support for capability development and capacity-building in Ukraine. At a number of meetings throughout 2016, NATO and Ukraine discussed Russia's continued aggressive actions, the importance of implementing the Minsk Agreements, and NATO's enduring support for Ukraine.

At the 2016 Warsaw Summit, NATO leaders adopted the Comprehensive Assistance Package for Ukraine, which aims to help make the country's defence and security institutions more effective, efficient and accountable. They also reviewed the security situation in eastern Ukraine and Crimea and welcomed the Ukrainian government's plans for reform. As Ukraine continues on its reform path, NATO and NATO members will continue to provide strong practical and political support for Ukraine's sovereignty and territorial integrity and for its efforts to build a better future for all Ukrainians.

Under the Comprehensive Assistance Package, NATO will provide strategic level advice in key areas of the security and defence sector reform. Furthermore, 40 tailored support measures have been developed in areas such as capacity and institution building, command, control, communications and computers (C4), logistics and standardization, defence-technical cooperation, cyber defence, energy security, medical rehabilitation, explosive ordnance disposal, improvised explosive devices and demining, strategic communications, countering hybrid warfare, security services reform and civil emergency planning. Concrete projects are being implemented through NATO capacity-building programmes, Trust Funds, and the Science for Peace and Security Programme, among others.

Building Integrity

"Corruption and poor governance are security challenges that undermine democracy, the rule of law and economic development, erode public trust in defence institutions and have a negative impact on operational effectiveness."

At the Warsaw Summit in July 2016, Heads of State and Government endorsed the NATO Building Integrity Policy and reaffirmed their conviction that transparent and accountable defence institutions under democratic control are fundamental to stability and essential for international security cooperation.

A growing number of countries recognise the impact of corruption on the security environment and are taking steps to reduce the risk of corruption and enhance their capacities to recognise and root out corruption in their own systems. NATO's Building Integrity Programme is funded through voluntary contributions to the NATO Building Integrity Trust Fund, led by five countries: Bulgaria, Norway, Poland, Switzerland and the United Kingdom.

The Building Integrity Programme is demand-driven and tailored to meet the needs of individual nations. At the centre of the Programme is a self-assessment questionnaire and peer review process; 19 nations were engaged in this process in 2016.

Completion of the self-assessment questionnaire provides a snapshot of existing procedures and business practices within a ministry. The structure of the questionnaire requires nations to coordinate answers from across their administrations, as well as seek contributions from Parliament, civil society, media and think-tanks.

The completion of the questionnaire is followed by a NATO-led peer review. This provides a confidential platform to validate findings, identify good practices and lessons learned as well as recommendations for improvement. It provides advice on a way forward including on how to make maximum use of existing NATO tools and mechanisms to strengthen good governance. Many countries who go through this process go on to develop a national integrity plan.

In 2016, the United Kingdom submitted a self-assessment questionnaire. The subsequent peer review is expected to be completed in early 2017. In addition, three countries – the Kyrgyz Republic,

Tunisia and Ukraine – have informed NATO that they are in the process of completing the questionnaire.

In December 2016, NATO published a Building Integrity reference guide for educators: "Understanding the Impact of Good Governance and Corruption on Defence Institution Building". This reference curriculum will be used to embed integrity-building concepts into existing national courses and develop new courses as required.

In 2016, NATO worked with Bosnia and Herzegovina and Montenegro to help develop national integrity plans and to review implementation. Building Integrity peer reviews were completed in 2016 for Colombia, the Republic of Moldova, Poland and the former Yugoslav Republic of Macedonia[6].

Tools and Mechanisms

Building Integrity tools are used by NATO Allies and partners alike. Requests from other countries, such as Colombia, are reviewed on a case-by-case basis.

Tailored support is provided through a global network of subject-matter experts and institutions including international organisations, academies, private sector and civil society. This network includes a NATO Centre of Excellence and six Partnership Training Centres.

In 2016, five institutions joined the Building Integrity network of implementing partners and helped to deliver education and training to 1,060 civil and military personnel. This includes residential courses and the use of seven mobile training teams.

Civil society representatives continue to play a key role in developing and validating the Programme. They have played an active part in a number of events including the Building Integrity Requirements Workshop, Building Integrity Discipline Conference and the flagship course "Defence Leadership in Building Integrity", conducted at the NATO School in Oberammergau.

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6 Turkey recognises the Republic of Macedonia with its constitutional name.

Euro-Atlantic Disaster Response Coordination Centre

The Euro-Atlantic Disaster Response Coordination Centre (EADRCC) is NATO's principal mechanism for responding to civil emergencies. It is active year round, operating on a 24/7 basis and involves NATO's 28 Allies and its partner countries. The Centre functions as a clearing house for coordinating requests and offers of assistance, usually in response to natural or man-made disasters. It also serves as a conduit for sharing information on disaster assistance through lessons-learned seminars.

All of the EADRCC's tasks are performed in close cooperation with the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA), which retains the primary coordinating role in international disaster-relief operations. The Centre is designed as a regional coordination mechanism, supporting and complementing UN efforts. In the case of a disaster requiring international assistance, it is up to individual NATO Allies and partners to decide whether to provide assistance, based on information they receive from the EADRCC.

2016 Support Activities

- Since 2012, in response to requests from Turkey, the EADRCC has acted as a clearing house to facilitate the provision of international assistance to Syrian refugees. Financial and in-kind assistance has been provided by 12 Allies and partner nations, UN agencies, Red Crescent and Red Cross Societies and many non-governmental organisations.

- In August 2014, the ongoing humanitarian crisis in Iraq prompted a request from the government for support to internally displaced persons. Assistance is being provided by 11 countries.

- In late November 2016, there were over 4,000 forest and wild fires in Israel. At least 160 people suffered injuries from smoke inhalation and some 100,000 people were evacuated from their homes. EADRCC received a request for assistance from Israel on 24 November and a total of 20 Allies and partners offered or provided assistance. The Centre carried out its clearing house role until the emergency ended on 30 November, when Israeli responders, with the support of 19 fire-fighting aircraft and two helicopters provided by NATO Allies and partners, managed to bring the fires under control.

2016 Exercises

In addition to its day-to-day activities, the EADRCC conducts large-scale field exercises to improve how civil and military teams in NATO and partner countries work together. These exercises provide opportunities to practise procedures and provide training for local and international participants. To date, the EADRCC has conducted 16 exercises; 54 countries have participated with teams and exercise support staff.

From 31 October to 3 November 2016, the EADRCC partnered with Montenegro to organise a consequence-management field exercise dubbed "Crna Gora", in Podgorica. The exercise simulated a real-world disaster situation – in this case a flood scenario – to train a range of rescue personnel on how to better cooperate. One of the innovative technologies provided by NATO's Science for Peace and Security Programme and tested in the exercise was equipment to clear unexploded ordnance in the ground and underwater.

The exercise also employed a telemedicine system, which links medical experts across the world with personnel in the field via satellite communication during a disaster situation and showed how social media tools can enhance responses to such crises. Nearly 700 personnel from 32 countries, the Crisis Management and Disaster Response Centre of Excellence in Sofia, Bulgaria, and the EU Emergency Response Coordination Centre took part in the exercise.

In July 2016, a virtual-reality exercise was organised and tested in cooperation with Romania. Disaster scenes simulating mass casualties and mass evacuation were generated using computer animations. With 155 participants from 17 nations and three NATO bodies, the exercise was complex yet cost-efficient. It also proved to be a valuable complement to conventional table-top and field exercises.

Managing Security Challenges through Science

In the spirit of cooperative security, the Science for Peace and Security (SPS) Programme provides practical opportunities for cooperation within NATO's wide network of partner countries and helps to build capacity and project stability. It offers funding, expert advice and support to security-related activities jointly developed by a NATO member and a partner country. The SPS Programme addresses security threats such as cyber defence, counter-terrorism and defence against CBRN agents. It supports NATO-led missions and operations, the development of security-related advanced technology, addresses human and social aspects of security, and provides defence capacity building assistance through technical expertise. NATO received 134 applications for SPS projects in 2016 and approved 50 new activities in the areas shown on the graph below.

The SPS Programme is closely aligned with NATO's strategic objectives and supports NATO's political priorities. In 2016, the SPS Programme contributed to several of NATO's partnership initiatives and priorities. In addition to the projects supporting the Defence and Related Security Capacity Building Initiative, the Comprehensive Assistance Package for Ukraine, and other projects in the Middle East and North Africa mentioned earlier in the report, projects in 2016 included:

Engaging Balkan countries in regional cooperation: In November 2016, the Programme initiated a flagship project "Advanced Regional Civil Emergency Coordination Pilot" in the Western Balkans. Led by Bosnia and Herzegovina, Croatia, Montenegro, the former Yugoslav Republic of Macedonia[7] and the United States, the project will enhance early warning and crisis management capabilities in the Balkans. It receives financial support from the US Department of Homeland Security (Science & Technology Directorate). Additional SPS projects in the region are developing security-related advanced technologies and address the areas of cyber defence, counter-terrorism, border security, CBRN defence, and demining through training courses and workshops.

Enhancing cooperation with Partners across the Globe: Eighteen SPS projects are ongoing with Afghanistan, Australia, Iraq, Japan, the Republic of Korea, Mongolia and New Zealand. In 2016, activities in the fields of CBRN defence, demining, and cyber defence were launched. An SPS project is improving the cyber security posture of the Mongolian Ministry of Defence and the General Staff of the Mongolian Armed Forces by establishing a Cyber Incident Response Capability. The project also includes training of network administrators and cyber security specialists to defend against cyberattacks. In 2016, a multi-year project with Australia and Japan was initiated to enhance border and port security through state-of-the-art devices to detect the illicit trafficking of nuclear materials.

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7   Turkey recognises the Republic of Macedonia with its constitutional name.
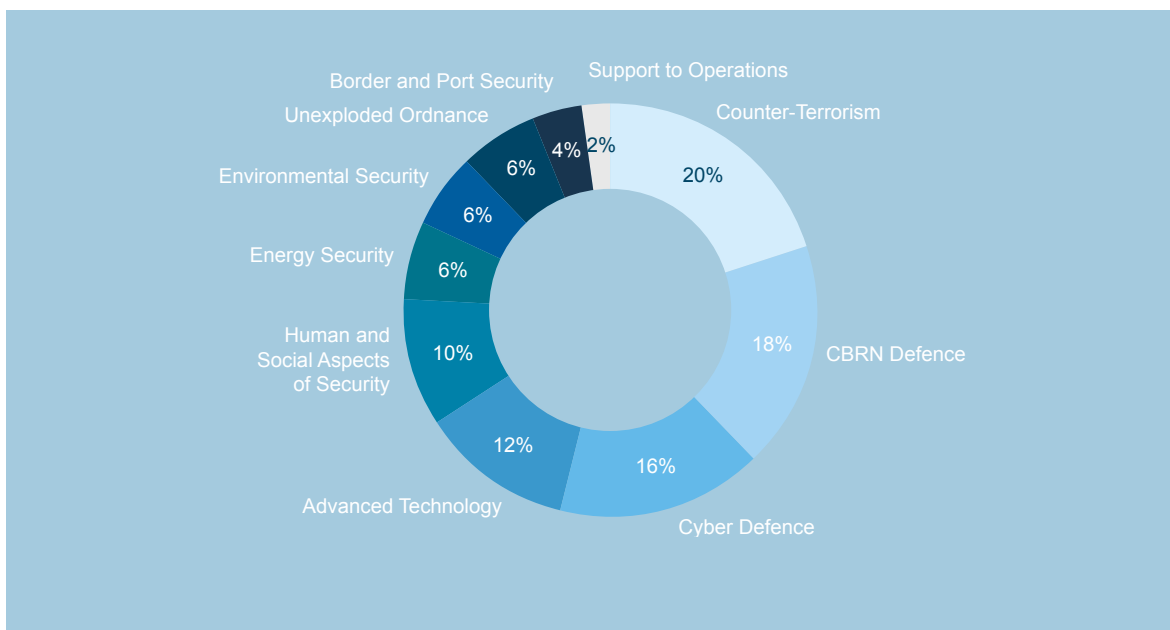
Working with International Organisations

For many years, NATO has promoted closer consultation and cooperation with other international organisations to prevent and manage crises. In 2016, the Alliance expanded its contacts with organisations such as the Council of Europe, the World Bank and the African Union, as well as several non-governmental organisations (NGOs). There was particular success in broadening and deepening NATO's ties with the United Nations, the International Committee of the Red Cross, the Organization for Security and Co-operation in Europe (OSCE) and, above all, the European Union.

European Union

In 2016, the long-standing strategic partnership between NATO and the European Union (EU) was taken to a new level. Both organisations face security challenges of a new depth and complexity, and neither has the tools to overcome those challenges alone. By cooperating more closely than ever, the EU and NATO are making a real difference to the welfare and security of the people they serve.

In February, NATO and the EU agreed to cooperate in the Aegean Sea to address the effects of the migrant crisis. This marked the first time that NATO and an EU civilian agency (Frontex) had cooperated in the field.

Later in the year, in the margins of the NATO Summit in Warsaw, NATO Secretary General Stoltenberg, together with President of the European Council Donald Tusk and President of the European Commission Jean-Claude Junker signed a Joint Declaration in which they identified seven key areas for closer cooperation:

- countering hybrid threats
- operational cooperation including maritime issues
- cyber security and defence
- defence capabilities
- defence industry and research
- exercises
- defence and security capacity building

The Joint Declaration also outlined a series of principles upon which this new cooperation should be based. As a result of the Joint Declaration, and with the support of EU High Representative for Foreign Affairs and Security Policy Federica Mogherini, NATO and the EU have identified more than 40 concrete actions for cooperation. These proposals were endorsed in parallel by both the NATO and EU Foreign Ministers in December, paving the way for their rapid implementation. These measures will significantly enhance cooperation between NATO and the European Union as part of a comprehensive response to the new security environment.

United Nations

Cooperation with the United Nations (UN) also developed further in 2016. NATO Secretary General Stoltenberg's 2015 commitment to enhancing support to UN peace operations continued to drive practical cooperation between the two organisations. In 2016, NATO provided concrete support to the UN in countering improvised explosive devices, developing training material for UN field headquarters, and improving standards relating to military medicine and ammunition safety. Best practices and lessons learned were also shared in the area of defence sector reform and capacity building.

Cooperation on human security-related issues also accelerated in 2016. The Alliance consulted the UN on the development of NATO's Policy for the Protection of Civilians, which was adopted at the Warsaw Summit. This cooperation will continue as the policy is implemented. Long-standing cooperation on the implementation of UN Security Council Resolution 1325 also continued in 2016, and the Secretary General's Special Representative for Women, Peace and Security once again addressed the UN Security Council on this issue.

NATO continued to engage with the broader UN family throughout 2016 on various issues, including with the UN Office on Drugs and Crime about defence integrity, and the UN Development Programme and UN Mine Action Service in the context of Iraq. In light of the refugee and migrant crisis, senior NATO officials also maintained a dialogue with the UN High Commissioner for Refugees and the UN High Commissioner for Human Rights. The UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator visited NATO Headquarters for consultations and to brief Allies on the significant challenges faced in that area.

OSCE

The importance that NATO attaches to the OSCE was reiterated by NATO leaders in Warsaw and efforts were made to further enhance the already well-established relations between the two organisations. In this context, the NATO Deputy Secretary General attended the OSCE Foreign Ministerial in Hamburg, Germany to reaffirm the Alliance's commitment to cooperative security. To further support this relationship, the NATO Secretary General appointed a dedicated representative to the OSCE. Additionally, work has been undertaken to assess the usefulness of a more permanent NATO presence in Vienna to further improve the flow of information and coordination among Allies in both organisations.

NATO and the OSCE cooperate at both the political and operational levels, focusing on regional security – for example in the Western Balkans and Ukraine – as well as on thematic issues, such as arms control, border security, counter-terrorism, the role of women in armed conflicts, and emerging security challenges. The situation in Ukraine as well as the work that the OSCE Special Monitoring Mission is undertaking, are of particular importance. Furthermore, NATO supports the work of the OSCE on arms control and confidence- and security-building measures, key factors in the Alliance's security.

In 2016, NATO and OSCE staffs participated in several joint events including the OSCE Security Days and the OSCE event on "Gender mainstreaming in operational responses to violent extremism and radicalisation that lead to terrorism". The two organisations' Secretaries General met on the margins of the UN General Assembly in September. NATO-OSCE annual staff talks took place in Vienna, Austria in November, resulting in a clear commitment to enhancing cooperation in all areas of common interest.

International Committee of the Red Cross

In 2016, NATO continued an active and constructive dialogue with the International Committee of the Red Cross (ICRC). ICRC President Peter Maurer addressed the North Atlantic Council in June. Practical cooperation in 2016 focused on issues relating to international humanitarian law, the protection of civilians, and lessons learned from operational settings. Fulfilling its pledge at the 32nd International Conference of the Red Cross and Red Crescent in late 2015, NATO has also incorporated specific findings from the ICRC's Health Care in Danger project into its training material.

PROMOTING THE ROLE OF WOMEN

At the Warsaw Summit in July 2016, NATO leaders reiterated their belief that the empowerment of women at NATO and in the military make the Alliance stronger. If peace is to be sustainable, it must be inclusive. To that end, NATO and its partners are working together to promote the role of women in peace and security as part of their commitment to the implementation of UN Security Council Resolution (UNSCR) 1325 and related Resolutions.[8]

Key Developments in 2016

Revision of the Action Plan

The NATO/EAPC (Euro-Atlantic Partnership Council) Action Plan for the Implementation of UNSCR 1325 on Women, Peace and Security and related Resolutions drives efforts to implement gender perspectives in the Alliance's activities both at home and abroad. At the Warsaw Summit, NATO Heads of State and Government endorsed a revised Action Plan for the period June 2016 to June 2018. Fifty-five countries associated themselves with the latest Action Plan, creating the world's largest UNSCR 1325 coalition.

Guidance for developing a revised Action Plan came from several areas. First, six pledges were made by then NATO Deputy Secretary General Alexander Vershbow during a UN Security Council debate marking the 15th anniversary of UNSCR 1325 in October 2015. These include:

- actively encouraging Allies to submit female candidates for NATO's senior decision-making positions

- sharing best practices and lessons learned among Allies and partners on increasing female participation at decision-making levels

- accelerating the advancement of women at NATO Headquarters through the Women's Professional Network and Mentoring Programme

- strengthening partnerships for gender equality with other international organisations, including the UN, OSCE, EU and the African Union

- financing gender-sensitive research aimed at preventing or countering violent extremism

- establishing a civil society advisory panel to assist in the development, execution and monitoring of the Action Plan

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8   Related Resolutions include UNSCR 1820, 1888, 1889, 1960, 2106, 2122 and 2422.

Second, an independent assessment of NATO's implementation of the Women, Peace and Security agenda was conducted by Women in International Security Global (WIIS). The assessment received in early 2016 gave mixed reviews. It listed some of NATO's strengths as strong public outreach and the collection of gender-segregated national military data by the NATO Committee on Gender Perspectives. It also welcomed the references to gender perspectives and priorities in 45% of NATO's partnership agreements, as well as the gender training and education opportunities available in NATO schools and institutions.

WIIS also concluded that there is insufficient understanding of the Women, Peace and Security agenda across NATO. This contributes to gaps between statement and practice as demonstrated by the partial to minimal progress on gender mainstreaming at the policy level. The assessment also noted that there are gender imbalances on both the civilian and military staff and a lack of financial and personnel resources devoted to implementing UNSCR 1325 at NATO.

Taking these commitments and conclusions into account, the Action Plan was revised and work continues to implement its objectives.

Independent Civil Society Advisory Panel on Women, Peace and Security

In March, Allies endorsed the creation of an annual Civil Society Advisory Panel on Women, Peace and Security with the aim of including civil society contributions more systematically. The NATO Secretary General's Special Representative for Women, Peace and Security convened the first meeting in October. The Panel consists of civil society experts from across NATO member and partner nations, including gender equality experts, peace and women's rights activists, academics and community leaders. The Panel acts as a critical partner for technical advice on NATO's Policy and Action Plan on UNSCR 1325 as well as means of ensuring accountability.

A major focus of the Panel's work will be delivering recommendations for the next revision of the Policy and Action Plan. At the meeting, a strategic framework that structures the Panel's activities over

two years was adopted. The Panel also agreed to work on four topics (community organising, policy analysis, research, and education and training) before the next meeting in 2017.

Workshop on the Military Guidelines on the Prevention of, and Response to, Conflict-Related Sexual and Gender-Based Violence

In June 2015, the Military Guidelines on the Prevention of, and Response to, Conflict-Related Sexual and Gender-Based Violence were adopted by the North Atlantic Council, demonstrating NATO's commitment to addressing this issue. Since then, NATO's strategic commands have been integrating gender perspectives into the analysis, planning, execution and evaluation processes of operations, missions and exercises. The first progress report was delivered in June 2016.

Education and training are a crucial way of disseminating information about the military guidelines. A workshop was held in October to evaluate the progress and way ahead. It brought together national representatives and stakeholders from NATO, the UN, the EU and non-governmental organisations.

Implementing UNSCR 1325 through the Science for Peace and Security Programme

The Science for Peace and Security (SPS) Programme actively supports the implementation of the Women, Peace and Security agenda through a number of activities with partner countries. In 2016, this included the continuation of several multi-year projects involving research on national reports on gender and the development of gender-awareness training and best practices within the Alliance. In addition, a number of SPS-funded workshops took place in this area, including an assessment on responses to female migration to the terrorist group ISIS, gender aspects of the crisis in Ukraine, and assessments of National Action Plans to implement UNSCR 1325.

40th Anniversary of the NATO Committee on Gender Perspectives

The NATO Committee on Gender Perspectives is one of the oldest in NATO, having been formally recognised by the Military Committee in July 1976. As early as 1961 however, senior female officers organised conferences on an ad-hoc basis to discuss the status, organisation, conditions of employment and career opportunities for women in the armed forces of NATO Allies. Conferences are held regularly and the 40th anniversary was marked on 31 May during the 2016 meeting. Experts from NATO, partner countries and other national delegates came together to discuss how NATO and partner countries can strengthen military leadership and accountability to implement a gender perspective.

Work has also been ongoing in the following areas:

- A network of Gender Advisors exists throughout NATO's military chain of command although vacant positions continue to hinder the effectiveness of this capability.

- Gender perspectives are included in defence planning and reporting by nations.

- Gender is a key principle in NATO's Defence Capacity Building initiative. The third Trust Fund with Jordan is the first dedicated to the integration of servicewomen and to gender training for its armed forces. Significant funding from the Afghan National Army Trust Fund is earmarked for participation of women and gender training and education. Gender is also one of the priority areas in the Comprehensive Assistance Package for Ukraine.

- The NATO Gender Education and Training Package for Nations is now available to the public.

Gender Balance Statistics

At the NATO Summit in Warsaw, Allied leaders welcomed the high-level appointments made in NATO's civilian and military structures in 2016, which are firsts in all cases:

- Allied Joint Force Command Naples Commander Admiral Michelle Howard (USA) in June
- NATO Defense College Commandant Lieutenant General Christine Whitecross (CAN) in September
- NATO Deputy Secretary Rose Gottemoeller (USA) in October

Allies agreed that there is still more work to be done regarding the representation of women at NATO. The percentage of women NATO-wide increased to 26% in 2016, whereas the percentage of women in the International Staff remained at 39%. Women constitute 16% of NATO's International Military Staff.

The NATO International Military Staff Office of the Gender Advisor collected data in 2016, reflecting the status of women in the armed forces in 2015.

- 85% of NATO members have all positions in their armed forces open to women
- 11% of armed forces of NATO countries are made up of women, on average
- 6% of military personnel deployed in NATO operations in 2015 were women
- 65% of NATO members have support structures in place for single, divorced or widowed parents caring for children
- 62% of NATO members have programmes or policies to encourage work-life balance
- 52% of NATO members have programmes or measures in place to support parents when both are in the armed forces
- 69% of NATO members have a military entity dealing with gender perspectives

ORGANISATION

NATO is a political-military alliance of 28 countries. The Organization itself includes a number of structures that support the everyday work of the Alliance.

Throughout 2016, NATO continued to implement innovative ways of working in order to improve its overall flexibility, effectiveness, efficiency and accountability despite a challenging resource environment. NATO also continues to adapt its processes and structures to ensure that it is adaptable by design and inherently flexible, resilient, and responsive to any threat. To this end, NATO continued to rigorously pursue improvements to better integrate resources and work strands, including by adopting modern and innovative approaches and ways of working. These efforts will help improve prioritisation and better align resources so that the workforce, both civilian and military, is well placed to support the achievement of NATO's top priorities.

Highlights of NATO's institutional adaptation in 2016 include:

- a major effort to reform and modernise financial management across NATO

- progress on improving decision-making processes, including against hybrid threats

- the launch of a thorough review of the common-funded capability delivery process, aimed at delivering capabilities owned and operated by the Alliance in a more efficient and effective way. An independent group of senior experts has been appointed to provide practical proposals for change. The group's advice and recommendations are due by April 2017.

- reform of NATO's Agencies continued in an effort to increase transparency, accountability, and achieve additional benefits and savings

- the initiation of a functional review of the NATO Command Structure

NATO Funding

Member countries make direct and indirect contributions to the costs of running NATO and implementing its policies and activities. Indirect – or national – contributions are the largest and come in the form of Allies' participation in NATO-led operations or missions. Member countries incur the costs involved whenever they volunteer forces to participate in a NATO operation.

Direct contributions are made to finance requirements of the Alliance that serve the interests of all 28 members – such as NATO-wide air defence or command and control systems – and are not the responsibility of any single member. Costs are borne collectively, often using the principle of common funding. Within that principle, all 28 members contribute according to an agreed cost-share formula, based on Gross National Income. Common funding arrangements are used to finance NATO's principal budgets: the Civil Budget (NATO International Staff and Headquarters running costs), the Military Budget (costs of the integrated Command Structure) and the NATO Security Investment Programme (military capabilities).

Projects can also be jointly funded, which means that the participating countries can identify the requirements, the priorities and the funding arrangements, but NATO provides political and financial oversight. The funding process is overseen by the North Atlantic Council, managed by the Resource Policy and Planning Board, and implemented by the Budget Committee and the Investment Committee.

Civil Budget

The Civil Budget provides funds for personnel expenses, operating costs, and capital and programme expenditure of the International Staff at NATO Headquarters. The International Staff, in addition to its core policy activities in support of NATO decision-making and programme execution, is responsible for the operation and maintenance of the entire NATO Headquarters compound, including the office space of national delegations, other NATO entities, and partner nations. The Civil Budget is approved by the North Atlantic Council, which ensures that the budget reflects strategic priorities. It is financed from national foreign ministry budgets

2016 Core Civil Budget

Programmes 13%
Capital 1%
Operating and Maintenance 22%
Personnel 64%

2016 Military Budget Ceilings

Pensions 9%
NATO Airborne Early Warning and Control 24%
Alliance Ground Surveillance 1%
Alliance Operations and Missions 24%
NATO Command Structure Entities and Programmes 48%
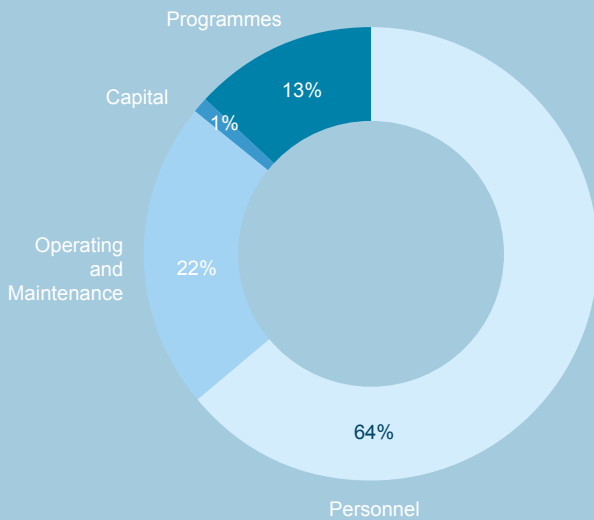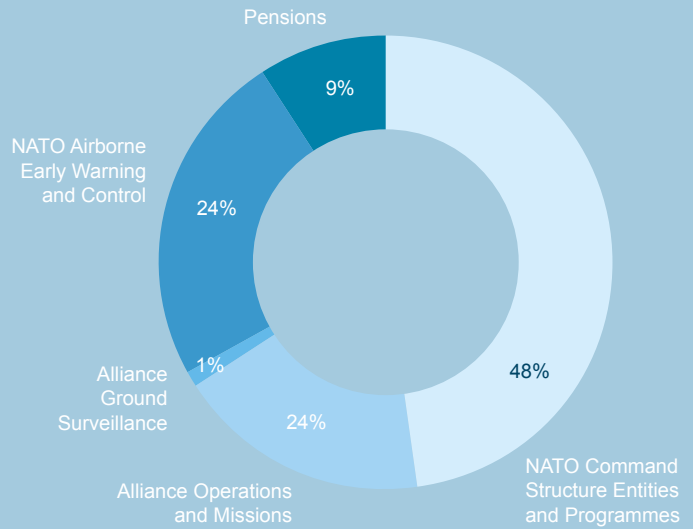
(in most countries) and is implemented by the International Staff. The core Civil Budget, excluding pension liabilities, for 2016 was EUR 184.6 million.

Military Budget

The Military Budget covers the common-funded aspects of NATO operations and missions, as well as operating and maintenance costs of the NATO Command Structure. It is composed of over 39 separate budgets, which are financed with contributions from Allies' national defence budgets (in most countries) according to agreed cost shares. It is approved by the Council and overseen by the Budget Committee (with representatives from all NATO member countries) and implemented by the individual budget holders. In all cases, the provision of military staff remains a nationally-funded responsibility. The Military Budget ceiling for 2016 was EUR 1.2 billion.

The Military Budget provides funds for the International Military Staff, two Strategic Commands and their associated command, control and information systems including:

- NATO Airborne Early Warning and Control Force

- Alliance Ground Surveillance

- Alliance Operations and Missions

- NATO Command Structure, Entities and Programmes

- NCI Agency Transition Programme

- Pensions of retired NATO Command Structure civilian staff

NATO Security Investment Programme

The NATO Security Investment Programme (NSIP) covers major construction and command and control system investments that are beyond the national defence requirements of individual member countries. It supports the roles of the NATO Strategic Commands by providing installations and facilities such as air defence communication and information systems, military headquarters for the integrated structure and deployed operations, and critical airfield, fuel systems and harbour facilities needed to support deployed forces.

The NSIP is financed by the ministries of defence of each member country according to an agreed cost share. It is approved by the North Atlantic Council and overseen by the Investment Committee (with representatives from all NATO member countries). Projects are implemented either by individual host countries or by different NATO Agencies and Strategic Commands, according to their areas of expertise. The NSIP ceiling for 2016 was EUR 690 million.

Improved Management of NATO Common Funding

The Alliance has made significant efforts in recent years to improve its management processes in order to get capabilities into the hands of military commanders more efficiently and at a lower cost.

The independent International Board of Auditors for NATO (IBAN) is responsible for auditing the accounts of the different NATO bodies. Its principal task is to provide the North Atlantic Council and member governments with the assurance that joint and common funds are properly used for the settlement of authorised expenditure and that expenditure is within the physical and financial authorisations granted.

The Board's mandate includes not only financial but also performance audits, which extend its role beyond safeguarding accountability to the review of management practices in general. IBAN is composed of officials normally drawn from the national audit bodies of member countries. These officials are appointed by and responsible to the North Atlantic Council. IBAN reports are available to the public and can be accessed via the NATO website.

Improved Financial Regulatory Framework

NATO has been involved in a major modernisation effort to reform financial management across the Alliance by reviewing its financial regulatory framework.

Specifically, NATO has:

- approved a NATO accounting framework for the implementation of the International Public Sector Accounting Standards (IPSAS)

- updated its Financial Regulations and Financial Rules and Procedures for the use of common-funded entities

- provided guidelines to improve the consistency and comparability of financial statements produced by NATO entities

These changes to the financial regulatory framework have led to significant improvements in financial reporting (including timeliness), financial transparency and accountability consistent with the goal of reflecting best practice in public sector finance. In addition, the Alliance has improved the visibility and public availability of a wide range of NATO financial documents and reports, including the updated policies and procedures.

NATO Structures

The North Atlantic Council (NAC) is the principal political decision-making body within NATO. The Council provides a forum for wide-ranging consultation between members on all issues affecting their peace and security. It brings together high-level representatives of each member country to discuss policy or operational questions requiring collective decisions.

Policies decided in the NAC are the expression of the collective will of all member countries of the Alliance as decisions are made on the basis of consensus. The NAC is chaired by the Secretary General and its decisions have the same status, whether meeting at a summit at the level of Heads of State and Government or in permanent session at the level of Ambassadors.

International Staff

Over 1,100 civilians work as part of NATO's International Staff at NATO Headquarters in Brussels, Belgium. The primary role of the International Staff is to provide advice, guidance and administrative support to the national delegations at NATO Headquarters. They assist consensus-building and decision-making in the Alliance and help to implement the decisions that are made.

NATO has a merit-based recruitment process and endeavours to build a staff that represents the nearly one billion citizens it serves. In 2016, nationals of nearly all member nations were employed in the International Staff at NATO Headquarters. The NATO-wide human resources strategy is designed to attract and develop the most talented people as effectively and efficiently as possible.

NATO continues its efforts to increase the percentage of women working in the Organization. In 2016, the percentage of female staff members increased to 26% NATO-wide; within the International Staff it was 39%. The number for senior leadership positions held by women remained at 21%. The NATO Women's Professional Network and Mentoring Programme launched its second phase in 2016. The Programme is designed to develop the pool of qualified female candidates and to remove any structural barriers that may exist between services and categories of staff. The Gender Balance Diversity Task Force met for the first time in a NATO-wide format in 2016, involving military and civilian participation.

NATO International Staff by Gender and Grade

Grade	Male in %	Female in %
Senior Leadership	79	21
A1-A4 Grades (incl. L-grade equivalents)	61	39
B Grades	41	59
C Grades	92	8
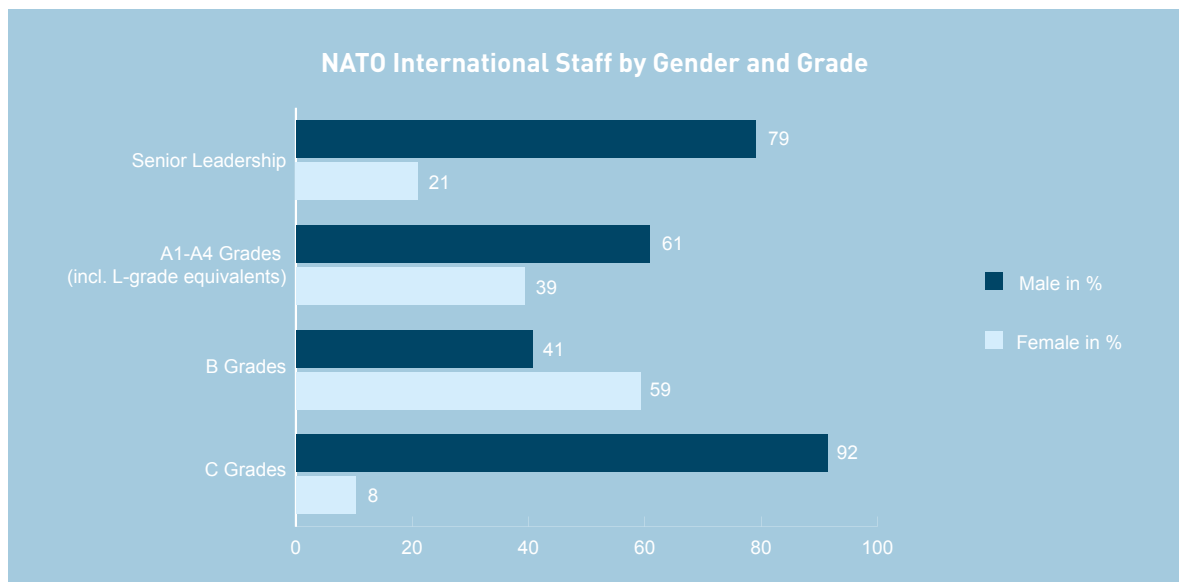
NATO Military Authorities

Military Committee

The Military Committee is the senior military authority in NATO, composed of the Chiefs of Defence of NATO member countries and chaired by the Chairman of the Military Committee, currently General Petr Pavel from the Czech Republic. The NATO Chiefs of Defence meet at least three times a year as a group. On a day-to-day basis, the Military Committee meets in Permanent Session with Military Representatives who act on behalf of their Chiefs of Defence. The role of the Military Committee is to discuss, deliberate and act on matters of military importance, working in the best interest of the Alliance, while at the same time representing national perspectives and positions.

The Military Committee provides the North Atlantic Council with consensus-based military advice. It works closely with the two Strategic Commanders to bring plans, issues, and recommendations forward for political consideration.

International Military Staff

The International Military Staff (IMS) is the executive body of the Military Committee and is led by a Director General, currently Lieutenant General Jan Broeks from the Netherlands. The IMS is responsible for preparing assessments and studies on NATO military issues, identifying areas of strategic and operational interest and proposing courses of action. It also ensures that NATO decisions and policies on military matters are implemented by the appropriate NATO military bodies.

The IMS is composed of approximately 500 military and civilian personnel from both NATO's member countries and partner countries, working in an international capacity for the common interest of the Alliance, rather than on behalf of their countries of origin.

In line with NATO's overall effort to implement UN Security Council Resolution 1325 on Women, Peace and Security throughout the Organization, NATO members have sent more women to fill positions in the IMS. In 2016, women – civilian and military – constituted 16% of the International Military Staff.

NATO Command Structure

The NATO Command Structure and the NATO Force Structure enable NATO to carry out its core functions. The NATO Command Structure has a strategic scope, primarily intended to command and control the Alliance's joint operations. It includes Allied Command Operations, Allied Command Transformation, and their subordinate commands and headquarters.

Allied Command Operations (ACO) is responsible for the planning and execution of all Alliance operations and missions. Its main headquarters is in Mons, Belgium and other, subordinate headquarters exist across several other NATO countries, including Italy and the Netherlands. The Command is headed by the Supreme Allied Commander Europe (SACEUR), currently General Curtis M. Scaparrotti, United States Army.

Allied Command Transformation (ACT) leads the transformation of NATO's military structure, forces, capabilities, and doctrine. Its main headquarters is in Norfolk, Virginia in the United States and it has subordinate commands in several other NATO countries. ACT is headed by the Supreme Allied Commander for Transformation (SACT), at present General Denis Mercier, French Air Force.

Nearly 6,500 military personnel and over 700 civilians work across the International Military Staff and the headquarters of the NATO Command Structure. Military personnel are provided to NATO by the countries they serve and are supported through their national defence budgets. All 28 Allies are present within NATO's military structures, and in 2016, over 40 military personnel from 12 partner countries were also serving across these structures.

Agencies and Organisations

NATO Communications and Information Agency (NCIA)

NCIA operates NATO's networks 24/7 and delivers advanced technology to support Alliance priorities, including air, ballistic missile and cyber defence.

The Agency is spread over 30 locations, from North America to Afghanistan, with headquarters in Brussels, Belgium and principal locations in The Hague, Netherlands, and Mons, Belgium. Combining civilian and military staff, NCIA is a service-based, customer-funded organisation, which is currently undergoing major organisational changes to become more resilient and responsive.

In 2016, the Agency supported NATO's forward presence in Central and Eastern Europe by connecting the new NATO Force Integration Units in record time and providing secure cloud-based IT. NCIA also significantly increased its role in relation to NATO exercises by supporting interoperability between multinational formations and delivering the first batch of deployable communications during Exercise Steadfast Cobalt 2016. NCIA continues to support operations by providing IT services for NATO's crisis management operations including the Resolute Support mission and KFOR. The Agency provided key technology that enabled declaration of Initial Operational Capability for NATO's Ballistic Missile Defence and Joint Intelligence, Surveillance and Reconnaissance systems.

As the Alliance is transforming its ability to operate in contested cyberspace, the Agency is protecting NATO's networks 24/7 via the NATO Computer Incident Response Capability (NCIRC) Technical Centre. In the framework of the NATO-Industry Cyber Partnership, NCIA signed eight agreements boosting information-sharing with industry and strengthening cooperation on cyber. 2016 also saw a landmark agreement with the European Union when the Technical Arrangement between the NCIRC and the EU's Computer Emergency Response Team was signed, providing a framework for sharing best practices between emergency response teams.

NCIA contributes to NATO's political outreach as executing agent for the NATO command, control, communications and computers (C4) Trust Fund

for Ukraine, delivered the first phase of Regional Airspace Security Programme, and continues to implement projects to enhance Ukraine's situational awareness. It also helps NATO's partners, including Finland and Sweden, to enhance their interoperability with NATO through multi-year programmes of work.

NATO Support and Procurement Agency (NSPA)

NSPA is NATO's primary logistics service provider and in 2016 provided more than EUR 3.5 billion of acquisition, life-cycle support, support to operations and exercises, and logistics services to NATO, its member nations and partners. The customer nations directly fund the majority of these activities. NSPA is headquartered in Luxembourg and has programmes based in France, Hungary and Italy with outstations in Afghanistan, Kosovo and other locations.

In 2016, NSPA had around 60 staff continuously deployed in Afghanistan, Iraq, Kosovo and Mali to manage the products and services delivered by some 2,500 contract personnel. Through this contract support, the Agency manages contracts with almost global coverage for fuel, oil supplies, and port services for naval shipping. In addition, the Agency continued to provide new infrastructure, airfield support, and operational logistics services to troops in theatre.

NSPA also provided significant contributions to NATO exercises in 2016 and generated, managed, operated, and maintained deployable camp infrastructure and contracted services to nations. The Agency directly supports NATO's Readiness Action Plan and its Forward Presence, assisting the Very High Readiness Joint Task Force with transportation and supply, construction, and base support in host nations, including for framework and troop-contributing nations. Life-cycle support is provided to Allies and partners through 28 multinational partnerships for more than 90 weapons systems ranging from aircraft to radars through missiles, ammunition, and electronic systems as well as support to the NATO Heavy Airlift Wing C-17 aircraft in Hungary.

In 2016, a major success was the signing of contracts in partnership with OCCAR (*Organisation Conjointe de Coopération en Matière d'Armement*) for the new

NATO Multi-Role Tanker Transport (MRTT) aircraft fleet on behalf of Luxembourg and the Netherlands, with aircraft to be delivered in 2018 and 2019. NSPA will take the lead in the concept phase of a potential new acquisition project, namely Alliance Future Surveillance and Control, to replace the current Airborne Early Warning fleet. The transition of the NATO Alliance Ground Surveillance system to full life-cycle management remains a focus for the Agency in cooperation with Allied Command Operations and the NATO Alliance Ground Surveillance Management Agency (NAGSMA).

From Versailles, France, NSPA manages the Central Europe Pipeline System, which enables fuel transportation and storage across western Europe, for military and civilian purposes. The Agency also leads a number of Trust Fund projects providing services to partner nations such as the disposal of excess/aged ammunition and explosives and medical support. In 2016, NSPA was active in helping Ukraine and provided access to rehabilitation centres for wounded military personnel as well as disposal of aged or obsolete ammunition and explosives.

NATO Science and Technology Organization (STO)

The STO generates and exploits a leading-edge science and technology programme of work, delivering timely results and advice that advance the defence capabilities of Allies, partners and NATO in support of the core tasks of collective defence, crisis management and cooperative security.

With over 5,000 actively engaged scientists and engineers, the STO brings together the world's largest international collaborative network of defence science and technology experts. The STO's annual programme of work comprises well over 250 projects that cover a wide range of fields such as autonomous systems, anti-submarine warfare, directed energy, human resiliency, economics of fleet replacement, hypersonic vehicles, quantum radar, and the impact of social media on military operations.

The Centre for Maritime Research and Experimentation, located in La Spezia, Italy, is a world-class research facility that delivers innovative and field-tested science and technology solutions. The STO's Collaboration Support Office in Neuilly,

France provides a collaborative environment and executive support to the network of experts. The STO is governed by the NATO Science and Technology Board, chaired by the NATO Chief Scientist, based at NATO Headquarters in Brussels; he also serves as the scientific advisor to NATO senior leadership.

NATO Standardization Office (NSO)

Standardization is critical to the delivery of interoperable capabilities. In 2016, the Alliance focused on the identification, development and implementation of NATO standards directly supporting agreed defence planning priorities. Lessons identified have been gathered from NATO's increased exercises for Allies' use in improving NATO standards and their implementation. The Alliance agreed a revised NATO Policy for Standardization representing significant progress in the area of integration with other agreed NATO processes, national implementation and timeliness of standardization.

Headquarters

While NATO is active in many different parts of the world, its headquarters in Brussels is a forum for the discussions and consultations that shape NATO policy and practice.

In addition to housing NATO's International Staff and International Military Staff, the Headquarters is home to 28 Allied delegations and military representations, 19 partner delegations, and staff from several of NATO's Agencies.

In 2016, almost 5,500 meetings were held at NATO Headquarters. More than half of these required simultaneous interpretation, usually in NATO's two official languages, English and French, but also in languages used by NATO's partners, such as Arabic, Georgian, Macedonian, Montenegrin, Mongolian, Russian and Ukrainian.

With two official languages, there is high demand on NATO's translation service, which is available to provide official translations of NATO documents seven days a week, 365 days a year. In 2016, the translation service received requests to translate, on average, 143 pages a day – equivalent to an annual total of more than 15 million words.

Discussions in the North Atlantic Council and its committees require large numbers of documents, including agendas, reports, working papers, and decision sheets. In 2016, the International Staff circulated nearly 19,000 documents in support of committee business. The International Staff and the Committees began using a new electronic records system in 2010 and went to full electronic distribution in 2014. The next challenge is to improve electronic information exchange with NATO's partners to reduce the nearly 4,000,000 pages that are still printed each year.

Preparation for the move to NATO's new headquarters continued in 2016. The oxidised steel sculpture known as the "NATO star" had stood in front of NATO's current headquarters since August 1971. It was moved to its new location in May.
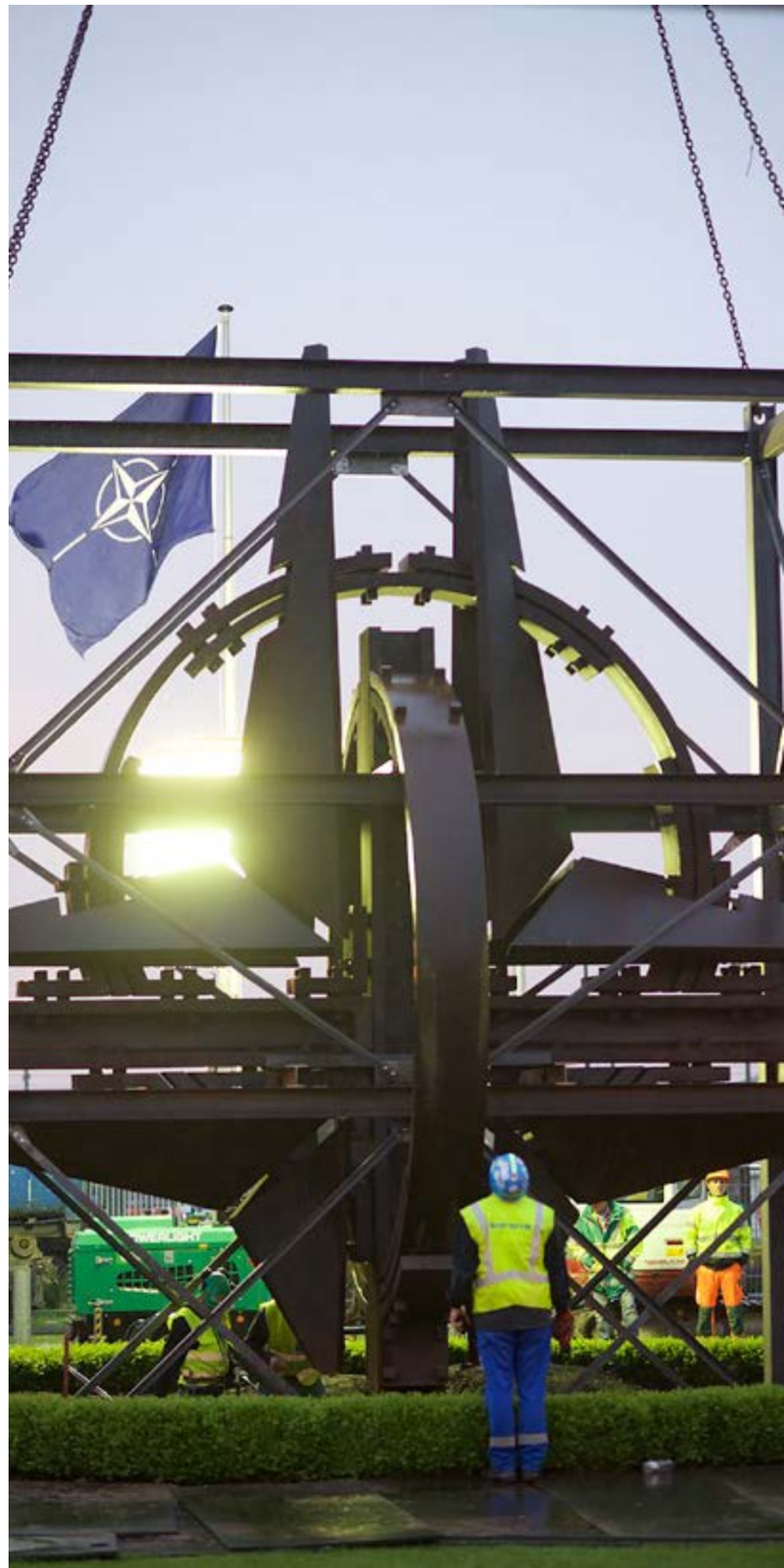
Improving Transparency

At the Wales Summit in September 2014, NATO leaders charged the Organization with improving its financial transparency and accountability. As part of a wider effort to be as open as possible, the Alliance also continues to increase the amount of non-financial information – both current and historical – it makes available to the public.

Documents released in 2016 included 13 current Standardization Agreements relating to Ammunition Safety, two current documents relating to NATO's diversity policies, two current documents from the Office of the Secretary General concerning the treatment of civilians, 24 documents relating to the history of the Conference of National Armaments Directors in celebration of the 50th anniversary of the CNAD, and more than 15,000 documents issued by the North Atlantic Council, the Military Committee, and their sub-committees in the years 1984-1985.

Efforts to make it easier to access this information via the NATO website are ongoing, including through a dedicated module on NATO's history.[9]

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9   www.nato.int/declassified

ANNEXES

Resolute Support Mission

The Resolute Support mission is a NATO-led mission to train, advise and assist the Afghan security forces and institutions. The mission was launched on 1 January 2015, immediately after the stand-down of the International Security Assistance Force (ISAF).

The legal framework for the Resolute Support mission is provided by a Status of Forces Agreement (SOFA), signed in Kabul on 30 September 2014 and ratified by the Afghan Parliament on 27 November 2014. The SOFA defines the terms and conditions under which NATO forces are deployed, as well as the activities they are authorised to conduct. The mission is also supported by United Nations Security Council Resolution 2189, unanimously adopted on 12 December 2014.

The Resolute Support mission provides training, advice and assistance in eight key areas: multi-year budgeting; transparency, accountability and oversight; civilian oversight of the Afghan Security Institutions; force generation; force sustainment; strategy and policy planning, resourcing and execution; intelligence; and strategic communications.

Those countries not contributing troops to the Resolute Support mission are supporting the mission in different ways, as well as the broader effort to strengthen the Afghan National Defence and Security Forces (ANDSF) over the long term.

Beyond the training, advice and assistance mission, Allies and partner countries are also contributing to the funding of the Afghan National Defence and Security Forces, and will enhance the Enduring Partnership with Afghanistan, by strengthening political dialogue and practical cooperation.

These efforts are part of the broader engagement by the international community in Afghanistan to ensure that the country never again becomes a safe haven for terrorism.

Commander: General John W. Nicholson (USA)
NATO Senior Civilian Representative: Ambassador Ismail Aramaz (TUR)

Resolute Support Mission Command (RSM) in Kabul
RSM Headquarters
Commander: General John W. Nicholson (USA)
Deputy Commander: Lieutenant General Sandy Storrie (UK)

Train, Advise and Assist Command (TAAC) Capital Headquarters TAAC(C) in Kabul (TUR)
Commander: Brigadier General Ayhan Saygin (TUR)

Train, Advise and Assist Command (TAAC) North Headquarters TAAC(N) in Mazar-e Sharif (DEU)
Commander: Brigadier General André Bodemann (DEU)

Train, Advise and Assist Command (TAAC) East Headquarters TAAC(E) in Laghman (USA)
Commander: Brigadier General Paul T. Calvert (USA)

Train, Advise and Assist Command (TAAC) South Headquarters TAAC(S) in Kandahar (USA)
Commander: Brigadier General Lee Henry (USA)

Train, Advise and Assist Command (TAAC) West Headquarters TAAC(W) in Herat (ITA)
Commander: Brigadier General Gianpaolo Mirra (ITA)

39 Troop Contributing Nations

Albania	43
Armenia	121
Australia	270
Austria	12
Azerbaijan	94
Belgium	62
Bosnia-Herzegovina	55
Bulgaria	86
Croatia	96
Czech Republic	214
Denmark	97
Estonia	4
Finland	29
Georgia	870
Germany	980
Greece	4
Hungary	90
Iceland	2
Italy	1037
Latvia	22
Lithuania	21
Luxembourg	1
Mongolia	120
Montenegro	18
Netherlands	100
New Zealand	10
Norway	42
Poland	182
Portugal	10
Romania	588
Slovakia	40
Slovenia	7
Spain	8
Sweden	25
The Former Yugoslav Republic of Macedonia[10]	39
Turkey	532
Ukraine	10
United Kingdom	450
United States	6941
Total Strength[11]:	13 332

10   Turkey recognises the Republic of Macedonia with its constitutional name.
11   The troop numbers reported reflect the overall presence in Afghanistan of each of individual contributing nations. They are based on information provided directly from individual contributing nations and may include forces deployed in a support role for RSM. They should be taken as indicative as they change regularly, in accordance with the deployment procedures of the individual troop contributing nations.

Kosovo Force

NATO-KFOR's mission is to contribute to maintaining a safe and secure environment in Kosovo, as mandated by United Nations Security Council Resolution 1244. In carrying out its mission, NATO assists and cooperates with the United Nations, the European Union and other international actors, as appropriate. KFOR's work supports the development of professional, democratic and multi-ethnic security structures in Kosovo.

Commander: Major General Giovanni Fungo (ITA)

*Turkey recognises the Republic of Macedonia with its constitutional name

Produced by NATO HQ SITCEN
Geospatial Section, January 2016.

31 Troop Contributing Nations

Albania	13
Armenia	35
Austria	474
Bulgaria	10
Canada	5
Croatia	23
Czech Republic	9
Denmark	35
Estonia	2
Finland	20
France	2
Germany	550
Greece	112
Hungary	350
Ireland	12
Italy	551
Lithuania	1
Luxembourg	23
Moldova	41
Netherlands	5
Norway	2
Poland	258
Portugal	185
Romania	56
Slovenia	252
Sweden	2
Switzerland	234
Turkey	313
Ukraine	40
United Kingdom	1
United States	675
KFOR Total Strength:	**4291**

KFOR Non-NATO Contributing Nations[12]

Armenia
Austria
Finland
Ireland
Moldova
Sweden
Switzerland
Ukraine

12 A KFOR non-NATO contributing nation is a NATO operational partner that contributes forces/capabilities to KFOR – or supports it in other ways. The North Atlantic Council needs to formally accept a nation as a KFOR non-NATO contributing nation, on the basis of political-military advice.

Defence Expenditure of NATO Countries (2009 – 2016)

NATO collects defence expenditure data from Allies on a regular basis and presents aggregates and subsets of this information. Each Allied country's Ministry of Defence reports current and estimated future defence expenditure according to an agreed definition of defence expenditure. The amounts represent payments by a national government actually made, or to be made, during the course of the fiscal year to meet the needs of its armed forces or those of Allies. NATO also makes use of up-to-date economic and demographic information available from the Directorate-General for Economic and Financial Affairs of the European Commission, and the Organisation for Economic Co-operation and Development. In view of the differences between this definition and national definitions, the figures shown may diverge considerably from those which are quoted by media, published by national authorities or given in national budgets. Equipment expenditure includes both spending on major equipment and on Research & Development expenditure devoted to major equipment. Personnel expenditure includes pensions paid to retirees.

The cut-off date for information used in this report is 15 February 2017. Figures for 2016 are estimates.

Graph 1 : Defence expenditure as a share of GDP (%)
(based on 2010 prices and exchange rates)

%

7

6

United States

5.29

5

NATO Total

4

NATO Europe

3.61

3

3.29

2.01   1.97

2.43

NATO 2% guideline

2

1.47

1

0

1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016e
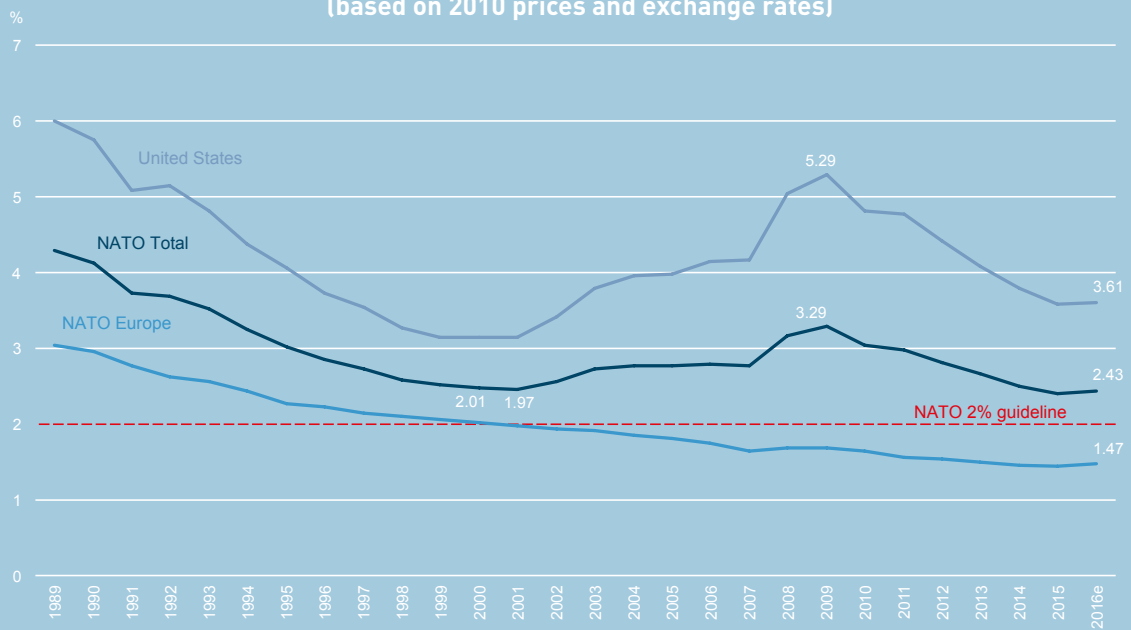
Graph 2 : NATO Europe and Canada - defence expenditure
(billion 2010 US dollars)

350

325

300

275

250

225

200

1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016e
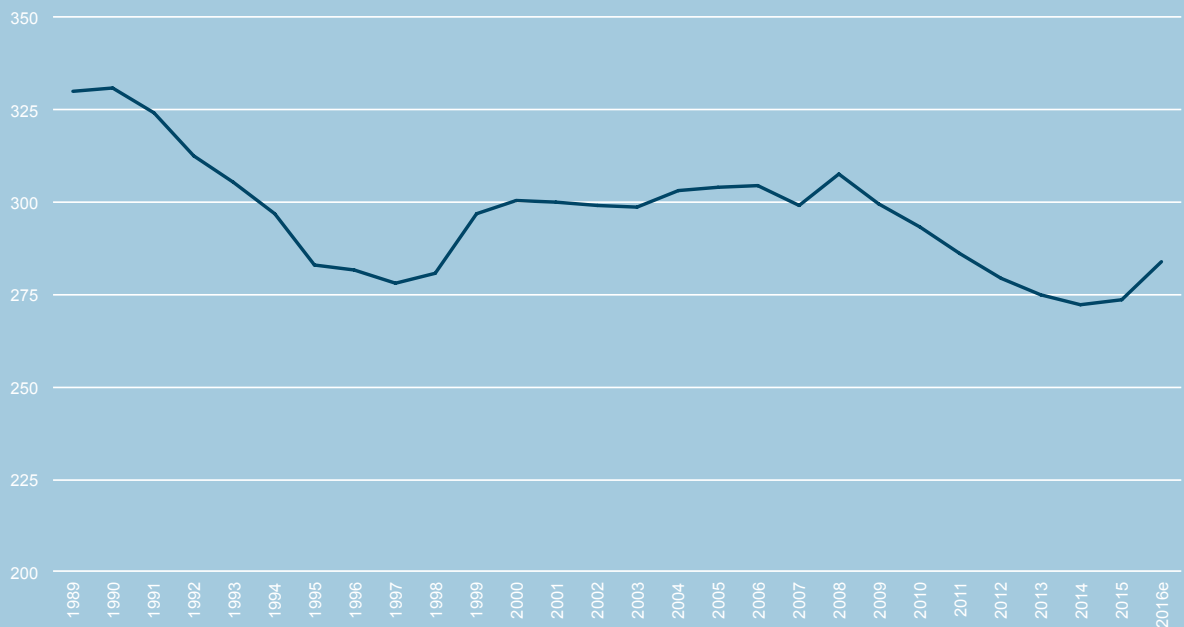
Note: includes enlargements which took place in 1999 (3 Allies), 2004 (7 Allies), and 2009 (2 Allies).

Graph 3 : Defence expenditure
(billion 2010 US dollars)

Year	North America	NATO Europe	Total
2009	794	278	1,071
2010	739	275	1,014
2011	746	266	1,012
2012	705	261	966
2013	662	258	920
2014	629	254	883
2015	611	256	867
2016e	627	265	892

■ North America   ■ NATO Europe
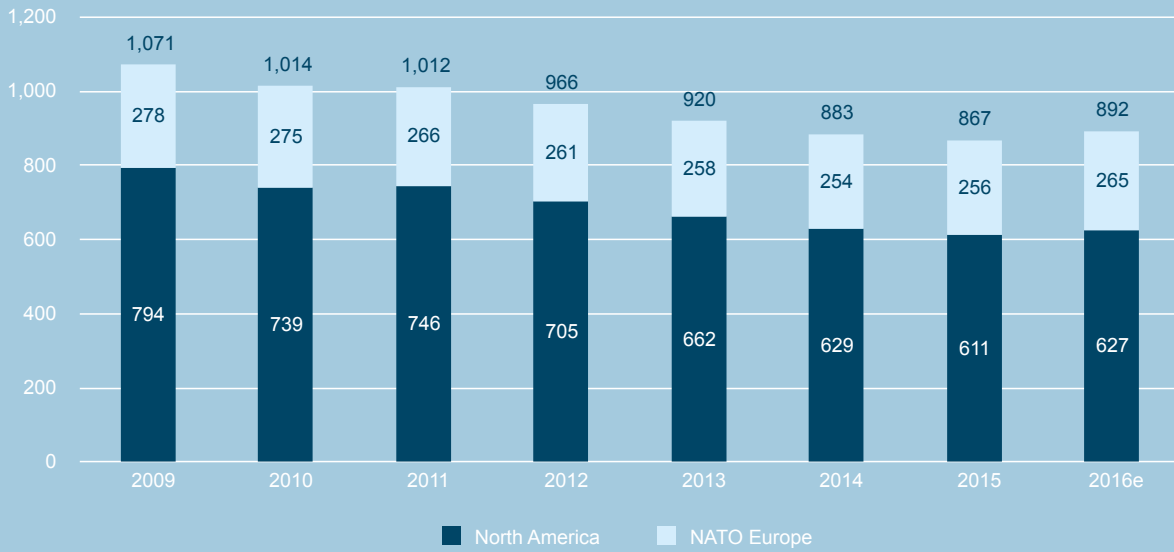
Graph 4 : Defence expenditure as a share of GDP (%)
(based on 2010 prices and exchange rates)

%

Year	North America	NATO Europe
2009	4.91	1.69
2010	4.46	1.64
2011	4.42	1.55
2012	4.09	1.53
2013	3.77	1.50
2014	3.50	1.46
2015	3.32	1.44
2016e	3.36	1.47

● North America   ✕ NATO Europe
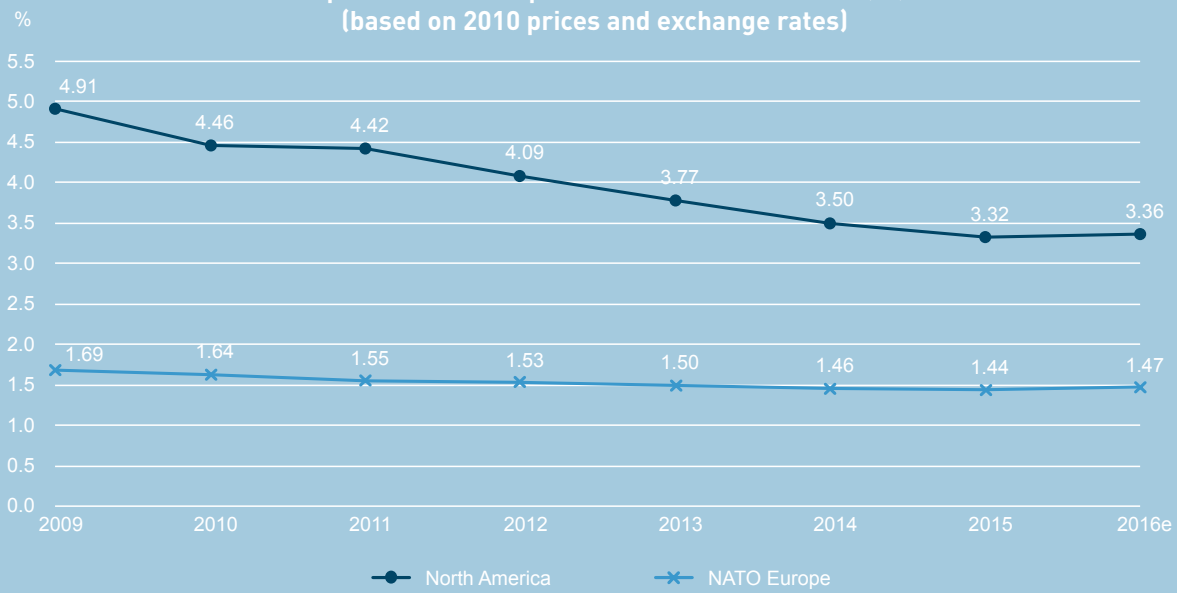
**Graph 5 : Volume indices of GDP and defence expenditure
(2009 = 100 - based on 2010 prices and exchange rates)**

- ● - North America - GDP   — ● — North America - Def. exp.
- × - NATO Europe - GDP   — × — NATO Europe - Def. exp.

%
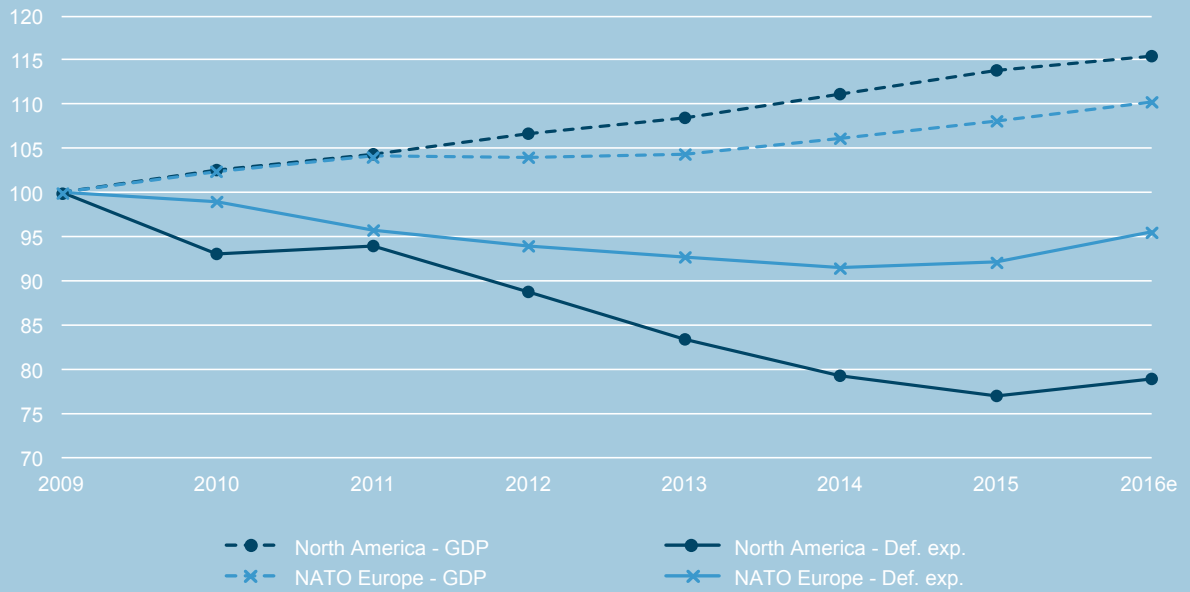
**Graph 6 : Equipment expenditure as a share of defence expenditure (%)
(based on 2010 prices and exchange rates)**

■ North America   ■ NATO Europe
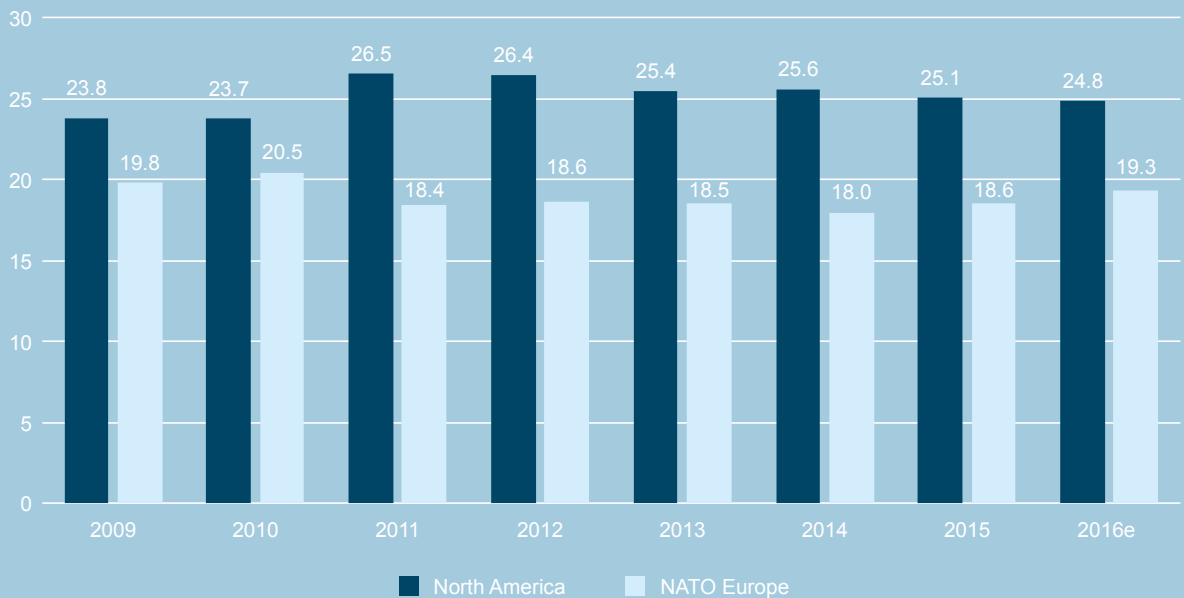
Table 1 : Defence expenditure
(million national currency)

Country (0)	Currency unit (million) (-)	Current prices							
		2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Albania	Leks	17,356	19,321	19,877	19,820	19,022	18,788	16,671	16,540
Belgium	Euros	4,048	3,960	3,956	4,023	3,964	3,913	3,803	3,908
Bulgaria *	Leva	1,273	1,230	1,066	1,099	1,196	1,102	1,116	1,187
Canada	Canadian dollars	21,828	19,255	21,808	19,978	18,764	20,076	19,431	20,608
Croatia	Kunas	5,356	5,057	5,323	5,059	4,848	4,625	4,586	4,151
Czech Republic	Koruny	59,656	50,808	43,131	42,780	42,035	41,003	47,264	47,760
Denmark	Kroner	23,252	25,328	24,259	25,618	23,682	22,769	22,633	23,657
Estonia	Euros	254	251	280	340	361	386	423	454
France	Euros	39,190	39,241	38,443	39,105	39,402	39,199	39,199	39,895
Germany	Euros	34,171	34,925	34,630	36,168	34,593	34,749	35,898	37,598
Greece	Euros	7,311	5,966	4,934	4,384	3,999	3,939	4,190	4,155
Hungary	Forint	298,620	280,895	295,967	297,650	286,341	281,402	315,928	353,097
Italy	Euros	21,946	21,637	21,741	20,600	20,078	18,427	17,642	19,980
Latvia	Euros	227	189	206	193	212	221	254	366
Lithuania	Euros	289	246	248	252	267	322	425	575
Luxembourg	Euros	145	187	167	167	176	190	225	224
Netherlands	Euros	8,733	8,472	8,156	8,067	7,702	7,788	7,816	8,234
Norway	Kroner	38,960	39,279	40,534	41,560	43,518	46,234	46,894	50,893
Poland	Zlotys	23,323	25,608	26,979	28,365	28,467	31,874	39,940	37,209
Portugal	Euros	2,692	2,673	2,627	2,366	2,457	2,263	2,376	2,541
Romania	New Lei	6,785	6,630	7,255	7,282	8,160	9,014	10,337	10,738
Slovak Republic	Euros	972	859	766	794	729	752	889	908
Slovenia	Euros	575	583	479	423	382	366	361	404
Spain	Euros	12,196	11,132	10,059	10,828	9,495	9,508	10,000	10,104
Turkey	Liras	19,603	21,241	22,807	24,956	27,466	29,727	32,522	36,321
United Kingdom	Pounds	37,357	39,053	39,204	36,563	39,824	39,902	38,940	42,081
United States	US dollars	757,466	720,423	740,744	712,947	680,856	653,942	641,253	664,058

Country (0)	Currency unit (million) (-)	2009 (1)	2010 prices						
			2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Albania	Leks	18,136	19,321	19,427	19,172	18,347	17,865	15,366	15,159
Belgium	Euros	4,113	3,960	3,894	3,898	3,776	3,665	3,493	3,518
Bulgaria *	Leva	1,287	1,230	1,006	1,021	1,119	1,026	1,017	1,083
Canada	Canadian dollars	22,455	19,255	21,123	19,117	17,676	18,559	18,104	19,087
Croatia	Kunas	5,401	5,057	5,235	4,898	4,657	4,440	4,399	3,974
Czech Republic	Koruny	58,790	50,808	43,122	42,156	40,837	38,870	44,361	44,434
Denmark	Kroner	23,776	25,328	23,604	24,340	22,314	21,339	21,115	22,027
Estonia	Euros	260	251	266	313	321	337	365	385
France	Euros	39,614	39,241	38,084	38,297	38,290	37,892	37,652	38,010
Germany	Euros	34,430	34,925	34,263	35,242	33,058	32,609	33,037	34,080
Greece	Euros	7,360	5,966	4,894	4,365	4,078	4,092	4,399	4,358
Hungary	Forint	305,505	280,895	289,566	281,604	263,171	250,222	276,140	308,027
Italy	Euros	22,476	21,637	20,949	19,521	18,526	16,709	15,735	17,409
Latvia	Euros	225	189	194	175	190	195	223	317
Lithuania	Euros	296	246	235	233	244	291	383	511
Luxembourg	Euros	150	187	160	155	161	172	202	203
Netherlands	Euros	8,845	8,472	8,057	7,827	7,359	7,374	7,393	7,739
Norway	Kroner	39,707	39,279	39,465	39,622	40,244	41,985	41,294	43,970
Poland	Zlotys	23,710	25,608	26,135	26,847	26,865	29,933	37,282	34,609
Portugal	Euros	2,710	2,673	2,634	2,382	2,418	2,211	2,274	2,395
Romania	New Lei	7,153	6,630	6,927	6,641	7,196	7,818	8,711	8,885
Slovak Republic	Euros	977	859	754	771	705	728	863	883
Slovenia	Euros	569	583	474	417	373	355	347	385
Spain	Euros	12,216	11,132	10,056	10,817	9,452	9,490	9,931	9,971
Turkey	Liras	20,716	21,241	21,005	21,501	22,288	22,280	22,689	23,712
United Kingdom	Pounds	37,934	39,053	38,431	35,299	37,729	37,191	36,144	38,487
United States	US dollars	772,026	720,423	725,768	686,226	644,803	611,159	593,577	608,377

* Data do not include pensions.

Table 2 : Defence expenditure
(million US dollars)

Current prices and exchange rates

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Albania	183	186	197	183	180	178	132	133
Belgium	5,623	5,245	5,500	5,169	5,264	5,192	4,218	4,332
Bulgaria *	905	832	758	722	811	747	633	673
Croatia	1,014	920	996	865	850	805	669	611
Czech Republic	3,129	2,660	2,437	2,185	2,148	1,975	1,921	1,958
Denmark	4,337	4,504	4,518	4,423	4,216	4,056	3,364	3,521
Estonia	353	332	389	437	480	513	469	503
France	54,442	51,971	53,441	50,245	52,317	52,006	43,473	44,222
Germany	47,469	46,255	48,140	46,470	45,932	46,102	39,812	41,676
Greece	10,156	7,902	6,858	5,633	5,310	5,226	4,647	4,606
Hungary	1,476	1,351	1,472	1,322	1,280	1,210	1,131	1,258
Italy	30,486	28,656	30,223	26,468	26,658	24,448	19,566	22,146
Latvia	315	251	286	248	281	293	281	405
Lithuania	401	326	344	324	355	427	471	638
Luxembourg	202	248	232	214	234	253	249	248
Netherlands	12,131	11,220	11,339	10,365	10,226	10,332	8,668	9,127
Norway	6,196	6,499	7,232	7,143	7,407	7,336	5,815	6,068
Poland	7,475	8,493	9,106	8,710	9,007	10,104	10,596	12,706
Portugal	3,740	3,540	3,652	3,040	3,262	3,003	2,635	2,817
Romania	2,225	2,086	2,380	2,100	2,452	2,692	2,580	2,651
Slovak Republic	1,350	1,138	1,065	1,020	968	997	986	1,006
Slovenia	799	772	666	543	507	486	401	448
Spain	16,943	14,743	13,984	13,912	12,607	12,614	11,090	11,200
Turkey	12,647	14,134	13,616	13,895	14,427	13,583	11,957	12,097
United Kingdom	58,240	60,329	62,852	58,016	62,263	65,690	59,538	56,790
NATO Europe	**282,240**	**274,592**	**281,683**	**263,654**	**269,441**	**270,269**	**235,305**	**241,842**
Canada	19,095	18,690	22,040	19,994	18,221	18,150	15,191	15,538
United States	757,466	720,423	740,744	712,947	680,856	653,942	641,253	664,058
North America	**776,561**	**739,113**	**762,784**	**732,941**	**699,077**	**672,092**	**656,444**	**679,596**
NATO Total	**1,058,801**	**1,013,705**	**1,044,467**	**996,595**	**968,518**	**942,361**	**891,749**	**921,439**

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
			2010 prices and exchange rates					
Albania	174	186	187	184	177	172	148	146
Belgium	5,447	5,245	5,157	5,162	5,001	4,854	4,626	4,660
Bulgaria *	871	832	681	691	757	695	689	733
Croatia	982	920	952	891	847	808	800	723
Czech Republic	3,078	2,660	2,258	2,207	2,138	2,035	2,323	2,327
Denmark	4,228	4,504	4,197	4,328	3,968	3,794	3,754	3,917
Estonia	344	332	352	414	425	446	483	510
France	52,465	51,971	50,439	50,721	50,712	50,185	49,867	50,341
Germany	45,599	46,255	45,378	46,675	43,783	43,188	43,755	45,136
Greece	9,748	7,902	6,482	5,782	5,401	5,420	5,826	5,772
Hungary	1,469	1,351	1,393	1,354	1,266	1,203	1,328	1,481
Italy	29,768	28,656	27,746	25,853	24,536	22,130	20,840	23,056
Latvia	298	251	256	232	251	258	295	420
Lithuania	392	326	312	309	323	385	507	677
Luxembourg	198	248	212	205	213	227	268	269
Netherlands	11,715	11,220	10,670	10,367	9,747	9,766	9,791	10,250
Norway	6,570	6,499	6,530	6,556	6,659	6,947	6,832	7,275
Poland	7,863	8,493	8,667	8,904	8,910	9,927	12,364	11,478
Portugal	3,589	3,540	3,489	3,155	3,203	2,929	3,012	3,172
Romania	2,251	2,086	2,180	2,090	2,264	2,460	2,741	2,796
Slovak Republic	1,293	1,138	999	1,022	934	964	1,143	1,169
Slovenia	754	772	627	552	494	471	460	510
Spain	16,179	14,743	13,319	14,327	12,519	12,569	13,153	13,206
Turkey	13,785	14,134	13,977	14,307	14,831	14,825	15,098	15,778
United Kingdom	58,599	60,329	59,368	54,530	58,283	57,451	55,835	59,455
NATO Europe	**277,659**	**274,592**	**265,827**	**260,817**	**257,639**	**254,108**	**255,938**	**265,256**
Canada	21,797	18,690	20,504	18,557	17,157	18,015	17,573	18,528
United States	772,026	720,423	725,768	686,226	644,803	611,159	593,577	608,377
North America	**793,823**	**739,113**	**746,272**	**704,783**	**661,961**	**629,175**	**611,150**	**626,904**
NATO Total	**1,071,482**	**1,013,705**	**1,012,099**	**965,599**	**919,600**	**883,283**	**867,088**	**892,160**

* Data do not include pensions.

Table 3 : Defence expenditure as a share of GDP and annual real change (based on 2010 prices)

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
As a share of GDP (%)								
Albania	1.52	1.56	1.53	1.49	1.41	1.35	1.16	1.11
Belgium	1.16	1.08	1.05	1.05	1.02	0.97	0.91	0.91
Bulgaria *	1.74	1.64	1.32	1.34	1.46	1.32	1.26	1.30
Croatia	1.62	1.54	1.60	1.53	1.47	1.41	1.37	1.21
Czech Republic	1.52	1.29	1.07	1.05	1.03	0.95	1.04	1.01
Denmark	1.34	1.40	1.29	1.32	1.20	1.13	1.10	1.14
Estonia	1.80	1.70	1.68	1.90	1.91	1.96	2.09	2.18
France	2.02	1.96	1.87	1.87	1.86	1.83	1.80	1.79
Germany	1.39	1.35	1.28	1.31	1.22	1.19	1.18	1.20
Greece	3.08	2.64	2.38	2.29	2.21	2.21	2.38	2.36
Hungary	1.14	1.04	1.05	1.04	0.95	0.87	0.93	1.02
Italy	1.42	1.35	1.30	1.24	1.20	1.08	1.01	1.11
Latvia	1.21	1.06	1.02	0.88	0.93	0.94	1.04	1.46
Lithuania	1.07	0.88	0.79	0.76	0.76	0.88	1.14	1.49
Luxembourg	0.40	0.47	0.39	0.38	0.38	0.39	0.44	0.42
Netherlands	1.42	1.34	1.25	1.23	1.16	1.15	1.13	1.16
Norway	1.54	1.52	1.51	1.47	1.48	1.52	1.47	1.55
Poland	1.70	1.77	1.72	1.74	1.72	1.85	2.22	2.01
Portugal	1.53	1.49	1.49	1.41	1.44	1.31	1.32	1.38
Romania	1.33	1.24	1.28	1.22	1.28	1.35	1.45	1.41
Slovak Republic	1.52	1.27	1.09	1.09	0.98	0.99	1.13	1.12
Slovenia	1.59	1.61	1.30	1.17	1.06	0.98	0.94	1.02
Spain	1.13	1.03	0.94	1.04	0.93	0.92	0.93	0.90
Turkey	2.06	1.93	1.76	1.76	1.75	1.70	1.67	1.69
United Kingdom	2.46	2.48	2.41	2.18	2.29	2.19	2.08	2.17
NATO Europe	**1.69**	**1.64**	**1.55**	**1.53**	**1.50**	**1.46**	**1.44**	**1.47**
Canada	1.39	1.16	1.23	1.10	0.99	1.01	0.98	1.02
United States	5.29	4.81	4.77	4.42	4.08	3.78	3.58	3.61
North America	**4.91**	**4.46**	**4.42**	**4.09**	**3.77**	**3.50**	**3.32**	**3.36**
NATO Total	**3.29**	**3.04**	**2.98**	**2.82**	**2.65**	**2.50**	**2.40**	**2.43**

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
				Annual real change				
Albania	-4.58	6.54	0.55	-1.32	-4.30	-2.62	-13.99	-1.35
Belgium	-5.82	-3.70	-1.68	0.10	-3.11	-2.94	-4.71	0.74
Bulgaria *	-21.22	-4.47	-18.22	1.54	9.53	-8.28	-0.84	6.48
Croatia	-11.12	-6.38	3.53	-6.44	-4.93	-4.65	-0.93	-9.66
Czech Republic	10.17	-13.58	-15.13	-2.24	-3.13	-4.82	14.13	0.16
Denmark	-6.00	6.53	-6.81	3.12	-8.32	-4.37	-1.05	4.32
Estonia	-13.41	-3.53	6.05	17.67	2.52	4.97	8.42	5.55
France	-13.70	-0.94	-2.95	0.56	-0.02	-1.04	-0.63	0.95
Germany	2.30	1.44	-1.90	2.86	-6.20	-1.36	1.31	3.16
Greece	3.36	-18.94	-17.97	-10.81	-6.59	0.35	7.50	-0.93
Hungary	-12.10	-8.06	3.09	-2.75	-6.55	-4.92	10.36	11.55
Italy	-5.68	-3.73	-3.18	-6.82	-5.09	-9.81	-5.83	10.63
Latvia	-31.77	-15.80	2.28	-9.56	8.31	2.78	14.34	42.14
Lithuania	-17.54	-16.85	-4.31	-0.89	4.60	19.18	31.73	33.53
Luxembourg	-3.50	25.03	-14.63	-3.12	4.07	6.55	17.67	0.32
Netherlands	1.36	-4.22	-4.90	-2.84	-5.98	0.19	0.26	4.69
Norway	3.65	-1.08	0.47	0.40	1.57	4.32	-1.65	6.48
Poland	9.49	8.00	2.06	2.73	0.07	11.42	24.55	-7.17
Portugal	5.03	-1.35	-1.45	-9.56	1.51	-8.56	2.84	5.32
Romania	-14.30	-7.31	4.48	-4.13	8.36	8.63	11.42	2.00
Slovak Republic	-1.74	-12.02	-12.23	2.31	-8.63	3.23	18.61	2.28
Slovenia	-1.73	2.38	-18.77	-11.91	-10.54	-4.75	-2.38	11.06
Spain	-4.63	-8.87	-9.66	7.57	-12.62	0.40	4.65	0.40
Turkey	-0.74	2.54	-1.11	2.36	3.66	-0.04	1.84	4.51
United Kingdom	-0.90	2.95	-1.59	-8.15	6.88	-1.43	-2.81	6.48
NATO Europe	**-3.22**	**-1.10**	**-3.19**	**-1.88**	**-1.22**	**-1.37**	**0.72**	**3.64**
Canada	5.88	-14.25	9.71	-9.50	-7.54	5.00	-2.45	5.43
United States	2.07	-6.68	0.74	-5.45	-6.04	-5.22	-2.88	2.49
North America	**2.17**	**-6.89**	**0.97**	**-5.56**	**-6.08**	**-4.95**	**-2.86**	**2.58**
NATO Total	**0.71**	**-5.39**	**-0.16**	**-4.59**	**-4.76**	**-3.95**	**-1.83**	**2.89**

* Data do not include pensions.

Table 4 : GDP
(2010 prices and exchange rates)

Country	2009	2010	2011	2012	2013	2014	2015	2016e
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Real GDP (billion US dollars)								
Albania	12	12	12	12	13	13	13	13
Belgium	471	484	492	493	493	501	508	514
Bulgaria	50	51	52	52	52	53	55	56
Croatia	61	60	59	58	58	57	58	60
Czech Republic	202	207	211	209	208	214	224	229
Denmark	316	322	326	327	330	336	341	344
Estonia	19	19	21	22	22	23	23	23
France	2,596	2,647	2,702	2,707	2,722	2,740	2,775	2,809
Germany	3,283	3,417	3,542	3,560	3,577	3,634	3,697	3,765
Greece	317	299	272	252	244	245	244	244
Hungary	129	130	133	130	133	139	143	145
Iceland	14	13	14	14	14	15	15	16
Italy	2,090	2,125	2,137	2,077	2,041	2,043	2,058	2,075
Latvia	25	24	25	26	27	28	28	29
Lithuania	37	37	39	41	42	44	45	45
Luxembourg	50	52	54	54	56	59	61	63
Netherlands	825	836	850	841	840	852	868	886
Norway	426	429	433	445	449	458	465	468
Poland	463	479	503	511	519	536	557	571
Portugal	234	238	234	225	222	224	228	230
Romania	169	168	170	171	177	182	189	199
Slovak Republic	85	90	92	94	95	97	101	105
Slovenia	47	48	48	47	47	48	49	50
Spain	1,431	1,432	1,417	1,376	1,352	1,371	1,415	1,460
Turkey	670	731	795	812	846	872	906	933
United Kingdom	2,383	2,429	2,466	2,498	2,546	2,624	2,682	2,737
NATO Europe	**16,404**	**16,779**	**17,100**	**17,054**	**17,125**	**17,404**	**17,748**	**18,072**
Canada	1,565	1,613	1,664	1,693	1,735	1,780	1,796	1,818
United States	14,595	14,964	15,204	15,542	15,803	16,177	16,598	16,852
North America	**16,160**	**16,578**	**16,868**	**17,235**	**17,538**	**17,957**	**18,394**	**18,670**
NATO Total	**32,564**	**33,357**	**33,968**	**34,289**	**34,663**	**35,361**	**36,141**	**36,742**

GDP per capita (thousand US dollars)

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Albania	3.9	4.1	4.2	4.3	4.3	4.4	4.4	4.5
Belgium	43.6	44.4	44.8	44.6	44.4	44.9	45.3	45.6
Bulgaria	6.7	6.8	7.0	7.1	7.2	7.3	7.6	7.9
Croatia	14.1	13.9	13.9	13.6	13.5	13.5	13.8	14.2
Czech Republic	19.3	19.7	20.1	19.9	19.8	20.3	21.2	21.7
Denmark	57.2	58.0	58.6	58.5	58.8	59.5	60.0	60.1
Estonia	14.3	14.6	15.8	16.5	16.8	17.3	17.6	17.8
France	40.1	40.7	41.4	41.3	41.3	41.4	41.7	42.0
Germany	40.8	42.6	44.1	44.3	44.4	44.9	45.3	45.5
Greece	28.5	26.9	24.5	22.8	22.3	22.5	22.5	22.5
Hungary	12.9	13.0	13.3	13.1	13.5	14.0	14.5	14.8
Iceland	43.1	41.7	42.4	42.7	44.1	44.5	45.9	47.6
Italy	35.1	35.5	35.6	34.4	33.7	33.6	33.9	34.2
Latvia	11.5	11.3	12.3	12.9	13.4	13.8	14.3	14.6
Lithuania	11.5	12.0	13.0	13.7	14.3	14.9	15.3	15.8
Luxembourg	99.4	103.1	103.4	101.5	103.1	105.5	107.1	108.8
Netherlands	49.9	50.3	50.9	50.2	50.0	50.5	51.3	52.0
Norway	88.2	87.7	87.4	88.6	88.4	89.1	89.6	90.0
Poland	12.1	12.4	13.1	13.3	13.5	13.9	14.5	14.9
Portugal	22.1	22.5	22.2	21.4	21.2	21.5	22.0	22.3
Romania	8.3	8.3	8.4	8.5	8.9	9.2	9.5	10.0
Slovak Republic	15.7	16.5	17.0	17.3	17.5	18.0	18.6	19.3
Slovenia	23.2	23.4	23.5	22.9	22.6	23.3	23.8	24.2
Spain	30.9	30.7	30.3	29.4	29.0	29.5	30.5	31.5
Turkey	9.3	10.0	10.7	10.8	11.1	11.3	11.6	11.8
United Kingdom	38.3	38.7	39.0	39.2	39.7	40.6	41.2	41.7
NATO Europe	**29.6**	**30.2**	**30.6**	**30.4**	**30.5**	**30.9**	**31.3**	**31.7**
Canada	46.4	47.3	48.3	48.5	49.3	50.2	50.3	50.5
United States	47.5	48.3	48.7	49.4	49.9	50.7	51.6	52.0
North America	**47.4**	**48.2**	**48.7**	**49.3**	**49.8**	**50.6**	**51.5**	**51.8**
NATO Total	**36.4**	**37.1**	**37.5**	**37.7**	**37.9**	**38.5**	**39.1**	**39.5**

Table 5 : Defence expenditure per capita and military personnel

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Defence expenditure per capita (2010 US dollars)								
Albania	60	64	64	64	61	59	51	50
Belgium	505	482	470	467	450	435	413	413
Bulgaria *	117	113	93	95	104	96	96	102
Croatia	228	214	222	209	199	191	190	172
Czech Republic	293	253	215	210	203	193	220	220
Denmark	765	812	753	774	707	672	661	684
Estonia	258	249	265	313	322	339	368	388
France	811	800	772	773	769	758	750	753
Germany	567	576	565	580	543	533	536	546
Greece	878	711	584	523	493	498	537	532
Hungary	147	135	140	137	128	122	135	151
Italy	500	479	462	428	405	364	343	380
Latvia	139	120	125	114	125	129	149	213
Lithuania	124	105	103	103	109	131	175	236
Luxembourg	398	489	408	386	392	407	470	462
Netherlands	709	675	639	619	580	579	578	602
Norway	1,360	1,329	1,318	1,306	1,311	1,352	1,316	1,399
Poland	206	220	225	231	231	258	322	299
Portugal	340	335	330	300	306	282	291	308
Romania	111	103	108	104	113	124	138	141
Slovak Republic	239	210	185	189	172	178	211	216
Slovenia	369	377	306	269	240	228	223	247
Spain	349	317	285	306	269	271	283	285
Turkey	191	193	188	190	195	192	193	199
United Kingdom	941	961	938	856	909	889	858	907
NATO Europe	**502**	**494**	**476**	**466**	**458**	**450**	**452**	**466**
Canada	646	548	595	532	488	508	492	515
United States	2,513	2,325	2,325	2,182	2,035	1,914	1,845	1,877
North America	**2,328**	**2,149**	**2,153**	**2,017**	**1,881**	**1,774**	**1,710**	**1,741**
NATO Total	**1,198**	**1,127**	**1,119**	**1,062**	**1,006**	**961**	**939**	**960**

Military personnel (thousands)

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Albania	11	11	10	8	7	7	6	7
Belgium	36	34	32	31	31	31	31	29
Bulgaria	32	30	29	26	28	27	27	31
Croatia	16	16	16	16	16	15	15	15
Czech Republic	24	24	22	22	20	20	21	23
Denmark	19	19	19	19	18	17	16	16
Estonia	5	5	6	6	6	6	6	6
France	239	234	227	219	213	207	207	209
Germany	247	235	205	192	184	179	175	176
Greece	135	128	117	110	110	107	106	106
Hungary	19	20	19	19	18	17	17	18
Italy	197	193	192	189	189	183	182	182
Latvia	5	5	5	5	5	5	5	5
Lithuania	8	8	8	8	8	9	12	12
Luxembourg	0.9	0.9	0.9	0.8	0.9	0.8	0.8	0.8
Netherlands	48	48	45	44	42	41	41	41
Norway	18	19	21	21	20	21	21	20
Poland	99	100	97	98	100	99	103	103
Portugal	40	43	35	34	33	31	31	31
Romania	67	67	66	66	66	65	64	63
Slovak Republic	15	14	13	13	12	12	12	13
Slovenia	7	7	7	7	7	7	7	6
Spain	132	131	127	125	122	122	121	121
Turkey	495	495	495	495	427	427	423	380
United Kingdom	195	198	191	184	179	169	163	161
NATO Europe	**2,112**	**2,084**	**2,004**	**1,956**	**1,862**	**1,825**	**1,816**	**1,774**
Canada	60	61	68	68	68	66	66	72
United States	1,418	1,427	1,425	1,400	1,382	1,338	1,311	1,305
North America	**1,478**	**1,488**	**1,493**	**1,467**	**1,450**	**1,404**	**1,376**	**1,377**
NATO Total	**3,589**	**3,572**	**3,497**	**3,423**	**3,312**	**3,229**	**3,192**	**3,152**

* Data do not include pensions.

Table 6a : Distribution of defence expenditure by category (%)

Equipment (a)

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Albania	11.29	15.69	13.36	14.44	16.29	16.65	8.92	8.01
Belgium	8.23	6.79	6.27	3.57	2.82	3.52	3.42	4.65
Bulgaria *	14.21	15.41	6.33	3.68	4.52	1.03	3.47	12.55
Canada	12.80	13.81	9.67	8.31	11.16	13.03	13.06	18.06
Croatia	10.21	8.12	15.79	14.72	10.72	7.35	10.58	7.37
Czech Republic	22.39	12.42	13.30	14.78	9.49	6.53	11.75	7.23
Denmark	9.93	14.10	9.68	9.03	11.26	10.99	11.50	12.41
Estonia	17.94	11.88	10.11	13.69	14.48	22.15	13.94	13.50
France	26.98	30.20	28.17	30.58	28.56	24.74	25.03	24.48
Germany	17.56	17.59	16.41	16.45	12.74	12.94	11.93	12.21
Greece	27.75	17.98	5.86	7.47	12.06	8.17	12.77	14.91
Hungary	12.67	12.10	12.29	5.84	11.08	7.76	8.17	13.00
Italy	11.33	10.92	11.74	8.87	12.51	10.92	9.72	20.24
Latvia	5.42	15.62	10.78	10.45	12.09	7.55	13.60	17.86
Lithuania	16.15	10.00	9.38	11.20	9.23	14.06	21.55	27.65
Luxembourg	17.40	34.45	21.86	17.11	14.57	22.61	33.33	27.24
Netherlands	17.57	15.70	14.43	13.41	12.57	10.68	11.16	14.14
Norway	19.19	18.13	17.04	17.76	18.89	21.17	22.48	25.08
Poland	15.88	18.13	16.13	15.16	13.90	18.84	33.06	25.79
Portugal	8.75	13.20	12.07	9.34	8.65	8.43	8.73	9.43
Romania	8.71	8.80	7.57	4.14	10.71	15.77	19.65	20.40
Slovak Republic	13.23	9.81	7.15	9.56	7.39	11.12	18.28	15.30
Slovenia	8.50	18.00	5.70	1.20	1.27	0.66	1.86	1.03
Spain	17.39	12.10	6.74	22.86	12.37	13.49	14.82	15.23
Turkey	25.61	27.98	24.57	21.21	26.89	25.08	25.13	22.35
United Kingdom	21.91	24.47	22.01	19.54	21.89	22.82	21.75	22.56
United States	24.10	24.02	26.99	26.97	25.83	25.97	25.41	25.03

Personnel (b)

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Albania	66.20	75.66	77.07	69.97	75.25	68.05	78.15	67.33
Belgium	74.47	75.54	75.88	78.52	77.06	77.84	78.16	77.10
Bulgaria *	59.21	64.30	67.36	64.71	65.37	72.84	73.66	64.31
Canada	45.27	45.30	47.11	49.10	52.44	50.90	47.21	45.81
Croatia	72.42	71.56	67.17	68.13	68.06	69.25	63.64	68.49
Czech Republic	46.11	50.66	56.28	61.66	62.03	61.40	55.25	58.47
Denmark	56.29	50.81	52.22	49.05	51.74	51.27	52.01	50.28
Estonia	34.53	34.51	32.28	29.75	39.83	38.62	39.05	38.19
France	49.34	47.64	49.35	49.11	49.23	48.53	47.79	47.87
Germany	53.19	52.66	52.29	50.60	49.86	50.67	49.86	48.35
Greece	56.52	65.07	76.03	73.19	74.56	77.18	70.04	69.93
Hungary	50.43	56.35	50.64	47.69	48.96	49.77	48.27	50.21
Italy	73.89	75.08	74.78	77.05	75.00	76.41	77.55	69.15
Latvia	59.31	55.91	51.31	56.15	52.98	52.97	50.06	44.88
Lithuania	60.90	65.60	66.87	66.78	66.53	57.53	48.49	46.08
Luxembourg	57.01	45.63	52.29	54.23	51.10	49.31	42.77	43.69
Netherlands	50.08	52.28	54.66	57.54	58.53	56.50	55.51	51.77
Norway	42.39	42.69	43.43	42.38	41.02	39.36	38.71	36.31
Poland	61.08	56.79	57.80	57.34	57.70	51.45	41.96	46.82
Portugal	75.31	70.18	78.30	78.39	79.85	81.27	82.07	77.98
Romania	79.80	79.07	79.11	84.00	78.99	71.15	63.30	64.33
Slovak Republic	55.82	62.39	69.47	66.53	70.14	69.14	56.24	58.65
Slovenia	67.07	61.69	74.63	78.91	80.52	82.31	82.22	75.93
Spain	58.67	63.38	64.81	57.19	68.25	67.34	65.18	64.02
Turkey	49.61	49.75	53.02	56.02	54.58	56.88	56.82	58.73
United Kingdom	37.48	35.65	37.55	38.90	37.85	36.59	36.80	34.79
United States	46.92	46.70	33.01	32.12	34.38	35.45	36.64	36.68

* Data do not include pensions.
(a) Equipment expenditure includes major equipment expenditure and R&D devoted to major equipment.
(b) Personnel expenditure includes military and civilian expenditure and pensions.

Table 6b : Distribution of defence expenditure by main category (%)

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
				Infrastructure (a)				
Albania	3.68	1.81	0.78	0.64	1.17	0.86	1.40	1.84
Belgium	2.24	1.75	1.69	1.59	2.21	1.81	0.93	0.95
Bulgaria *	6.06	2.39	1.53	0.76	0.47	0.63	1.27	0.57
Canada	3.06	4.11	5.48	5.47	4.12	3.81	5.68	5.24
Croatia	1.54	1.42	0.71	0.57	1.21	1.63	2.62	2.02
Czech Republic	3.89	5.79	2.51	1.61	2.72	2.34	3.32	2.90
Denmark	1.23	1.07	1.45	1.24	1.16	0.97	1.09	2.13
Estonia	9.97	13.73	13.57	8.85	11.54	8.20	8.34	11.21
France	2.17	3.13	2.68	3.42	2.30	2.33	2.80	2.70
Germany	4.75	5.16	4.13	3.53	3.55	3.75	3.60	3.39
Greece	0.84	0.76	1.26	0.79	0.63	1.10	0.77	0.49
Hungary	3.88	2.07	1.31	2.11	2.32	1.07	0.64	2.27
Italy	1.45	1.40	1.31	1.02	1.57	1.40	1.30	1.04
Latvia	6.36	5.78	9.29	4.16	6.26	8.89	6.64	10.02
Lithuania	2.36	1.97	1.37	1.47	2.04	2.17	2.16	5.78
Luxembourg	3.13	4.16	7.18	8.20	11.81	10.26	7.79	11.81
Netherlands	3.39	3.47	3.77	3.70	2.74	4.77	3.19	3.90
Norway	5.49	5.24	4.22	4.86	5.64	6.00	5.60	7.57
Poland	4.98	3.96	4.80	4.76	5.62	5.47	4.74	5.17
Portugal	0.80	0.43	0.01	0.04	0.04	0.11	0.25	0.06
Romania	1.39	1.81	1.47	1.19	1.16	1.09	1.27	2.81
Slovak Republic	4.49	4.22	1.01	0.37	0.29	0.57	1.99	3.75
Slovenia	3.18	2.67	2.61	2.02	1.33	0.65	0.61	1.15
Spain	2.26	1.25	1.88	0.85	0.67	0.66	0.97	1.02
Turkey	2.87	2.84	2.91	3.70	2.72	2.77	2.56	2.54
United Kingdom	2.23	1.62	1.64	1.91	2.04	1.95	1.63	1.99
United States	0.97	0.97	3.14	2.38	2.08	1.71	1.45	1.43

Other (b)

Country (0)	2009 (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016e (8)
Albania	18.83	6.83	8.79	14.95	7.30	14.44	11.53	22.82
Belgium	15.05	15.93	16.15	16.31	17.91	16.83	17.49	17.31
Bulgaria *	20.52	17.91	24.78	30.85	29.64	25.51	21.60	22.56
Canada	38.88	36.77	37.75	37.12	32.28	32.26	34.05	30.89
Croatia	15.83	18.91	16.33	16.58	20.01	21.78	23.16	22.13
Czech Republic	27.60	31.13	27.91	21.95	25.75	29.73	29.67	31.40
Denmark	32.55	34.02	36.65	40.68	35.84	36.78	35.40	35.19
Estonia	37.55	39.89	44.04	47.71	34.14	31.03	38.67	37.10
France	21.51	19.03	19.80	16.89	19.91	24.40	24.37	24.96
Germany	24.49	24.58	27.17	29.42	33.84	32.63	34.61	36.05
Greece	14.88	16.19	16.84	18.55	12.75	13.55	16.42	14.67
Hungary	33.02	29.47	35.76	44.35	37.64	41.40	42.91	34.52
Italy	13.33	12.60	12.17	13.06	10.93	11.27	11.42	9.56
Latvia	28.92	22.69	28.62	29.23	28.68	30.59	29.69	27.24
Lithuania	20.59	22.43	22.39	20.56	22.20	26.24	27.79	20.49
Luxembourg	22.46	15.76	18.67	20.46	22.52	17.82	16.11	17.25
Netherlands	28.96	28.55	27.14	25.34	26.16	28.05	30.14	30.20
Norway	32.94	33.93	35.31	35.00	34.45	33.46	33.21	31.05
Poland	18.06	21.12	21.27	22.73	22.78	24.24	20.24	22.22
Portugal	15.14	16.19	9.62	12.22	11.46	10.19	8.95	12.53
Romania	10.10	10.32	11.85	10.68	9.13	11.98	15.78	12.45
Slovak Republic	26.46	23.58	22.38	23.55	22.19	19.16	23.49	22.31
Slovenia	21.25	17.63	17.05	17.87	16.88	16.38	15.31	21.90
Spain	21.68	23.26	26.58	19.11	18.71	18.50	19.03	19.72
Turkey	21.91	19.43	19.49	19.07	15.80	15.27	15.49	16.38
United Kingdom	38.38	38.26	38.80	39.64	38.22	38.63	39.82	40.66
United States	28.01	28.30	36.86	38.53	37.72	36.87	36.51	36.86

* Data do not include pensions.
(a) Infrastructure expenditure includes NATO common infrastructure and national military construction.
(b) Other expenditure includes operations and maintenance expenditure, other R&D expenditure and expenditure not allocated among above-mentioned categories.

NATO defence expenditure

NATO defines defence expenditure as payments made by a national government specifically to meet the needs of its armed forces or those of Allies. A major component of defence expenditure is payments on Armed Forces financed within the Ministry of Defence (MoD) budget. Armed Forces include Land, Maritime and Air forces as well as Joint formations such as Administration and Command, Special Operations Forces, Medical Service, Logistic Command etc. They might also include "Other Forces" like Ministry of Interior troops, border guards, national police forces, customs, *gendarmerie*, *carabinierie*, coast guards etc. In such cases, expenditure should be included only in proportion to the forces that are trained in military tactics, are equipped as a military force, can operate under direct military authority in deployed operations, and can, realistically, be deployed outside national territory in support of a military force. Also, expenditure on Other Forces financed through the budgets of ministries other than MoD should be included in defence expenditure.

Pension payments made directly by the government to retired military and civilian employees of military departments should be included regardless of whether these payments are made from the budget of the MoD or other ministries.

Expenditure for peacekeeping and humanitarian operations (paid by MoD or other ministries), the destruction of weapons, equipment and ammunition, and the costs associated with inspection and control of equipment destruction are included in defence expenditure.

Research and development (R&D) costs are to be included in defence expenditure. R&D costs should also include those for projects that do not successfully lead to production of equipment.

Expenditure for the military component of mixed civilian-military activities is included, but only when this military component can be specifically accounted for or estimated.

Financial assistance by one Allied country to another, specifically to support the defence effort of the recipient, should be included in the defence expenditure of the donor country and not in the defence expenditure of the receiving country.

Expenditure on NATO Common infrastructure is included in the total defence expenditure of each NATO country only to the extent of that country's net contribution.

War damage payments and spending on civil defence are both excluded from the NATO definition of defence expenditure.

NATO uses United States dollars (USD) as the common currency denominator. The exchange rate applied to each Ally is the average annual rate published by the IMF. The values for defence expenditure are expressed in current prices; constant prices; current prices and exchange rates; as well as constant prices and exchange rates.

Note to readers

Prior to 2010, the defence data relating to France is indicative only. Iceland has no armed forces. For countries of the Euro zone, monetary values in national currency are expressed in Euros for all years. The Slovak Republic adopted Euros from 2009, Estonia from 2011, Latvia from 2014, and Lithuania from 2015.

Albania and Croatia joined the Alliance in 2009.

To avoid any ambiguity, the fiscal year has been designated by the year which includes the highest number of months: e.g. 2015 represents the fiscal year 2015/2016 for Canada and the United Kingdom and the fiscal year 2014/2015 for the United States. Because of rounding, the total figures may differ from the sum of their components.

Conventional signs:

e	estimated
-	nil
..	not available
//	not applicable
|	break in continuity of series
.	decimal point

Nomenclature of NATO defence expenditure:

1   Operating costs
1.1   Military personnel
1.1.1   Pay and allowances
1.1.2   Employer's contributions to retirement funds
1.1.3   Other
1.2   Civilian personnel
1.2.1   Pay and allowances
1.2.2   Employer's contributions to retirement funds
1.3   Pensions
1.3.1   Paid to military retirees
1.3.2   Paid to civilian retirees
1.4   Operations and maintenance
1.4.1   Ammunition and explosives (excluding nuclear)
1.4.2   Petroleum products
1.4.3   Spare parts
1.4.4   Other equipment and supplies
1.4.5   Rents
1.4.6   Other operations and maintenance
2   Procurement and construction
2.1   Major equipment
2.1.1   Missile systems
2.1.2   Missiles (conventional weapons)
2.1.3   Nuclear weapons
2.1.4   Aircraft
2.1.5   Artillery
2.1.6   Combat vehicles
2.1.7   Engineering equipment
2.1.8   Weapons and small arms
2.1.9   Transport vehicles
2.1.10   Ships and harbour craft
2.1.11   Electronic and communications equipment
2.2   National military construction
2.3   NATO common infrastructure
2.3.1   Expenditure as host country
2.3.2   Payments to other countries
2.3.3   Receipts from other countries
2.3.4   Land and utilities
3   Research and development
3.1   Devoted to major equipment
3.2   Other
4   Other expenditure
5   Total
6   Statistical discrepancy
7   Adjusted total

Main categories of defence expenditure:

- Equipment (Table 6a) – lines 2.1 + 3.1
- Personnel (Table 6a) – lines 1.1 + 1.2 + 1.3
- Infrastructure (Table 6b) – lines 2.2 + 2.3
- Other (Table 6b) – lines 1.4 + 3.2 + 4