



Media Briefing

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Promoting a more transparent and accountable NATO

New website launched in Netherlands showing NATO's limited financial transparency

as search for 'Transatlantic Bond' kicks off in Brussels

Financial management information is routinely provided by intergovernmental bodies such as the EU and World Bank. But NATO does not yet provide basic information about its income, expenditure or performance evaluations to the general public. One way for the public and parliamentarians to really understand what is happening in NATO is to follow the money. But without a publicly available annual budget or reliable performance metrics, it is often impossible to grasp the significance of what is being proposed or implemented within the Alliance.

Public information about NATO's budgets and results is sparse because most of the information is classified. Thus, there is no way of knowing whether NATO is delivering value for the taxpayers' money. Consequently, citizens and parliaments of member countries are unable to monitor whether their contributions to NATO result in an efficient international organization.

Since our inception in 2009 we have been pressing NATO to become more transparent about its decision making and financial information. We are pleased therefore that the Netherlands Court of Audit (NCA)— the official auditing body of the Dutch government— agrees with us and has today launched a [new website](#) that aims to stimulate further debate and progress on this important issue. The website indicates, for example, that the common funding budget in 2013 for NATO's military, civilian and investment projects was € 2.4 billion. However, the NCA was unable to retrieve further detailed information from publicly available sources about the amount member countries spent on various NATO entities and missions and for what purpose.

In a [press release](#), Ms Saskia J. Stuiveling, President of the NCA said: "*We are an advocate of transparency and accountability for all public expenditures, including those of NATO. There is a lot of overdue maintenance to be done to NATO's financial management. With the publication of its thematic website the NCA hopes to boost the debate for improving NATO's public accountability. This strengthens Parliament and the Government that seek to improve NATO's public accountability. It may also contribute to a greater understanding and thus a fact based debate about the efficiency and effectiveness of NATO*".

The United States is the largest contributor to NATO with €523.9 million plus an unknown amount for funding entities and missions. For Germany the contribution is €351.3 million plus unknown additional contributions. For Britain it is €265.5 million plus unknown additional contributions. For France it is €264.7 million plus unknown additional contributions. The website also presents a ranking of NATO entities. Only eight of the 48 NATO entities score highly on a list of basic transparency indicators, such as a publicly available annual budget and a publicly available financial statement.

In March, the Secretary General announced [an Alliance-wide public debate](#) on the 'transatlantic bond' and tasked three groups: "the NATO Parliamentary Assembly, a group of experts, and a group of young leaders -

to consider how we can strengthen our transatlantic bond and strengthen our security today and tomorrow". Their reports (see links below) are due to be discussed at a [conference taking place today in Brussels](#) and the outcomes carried forward to the NATO Summit in Wales in September. The Summit, titled 'Future NATO', will focus on ensuring that the Alliance has the equipment and skills it requires to deal with the challenges presented by terrorism, unstable states, piracy, missile and cyber attacks, as well as reaffirming the importance of the transatlantic bond.

The 'group of experts' report fails to mention the issue of NATO's democratic deficit or lack of financial probity, while the 'group of young leaders' at least call for "a process of self-reflection, instead of a repetitive refrain that we all share the same values". The NATO Parliamentary Assembly was the only group to truly grasp the nettle, saying "we must encourage even greater transparency and involve our publics more in discussions and decisions over our common defence", adding:

"Greater financial transparency will increase public trust. The Alliance needs to explain the rationale behind its work, and account for the way in which this work is carried out. ...our governments and parliaments must develop annual national action plans to inform the public about the requirements of 21st century defence and promote the values and aims of the transatlantic security partnership. These should include regular public information campaigns on national defence priorities and the benefits and added value of NATO; regular public consultations on defence strategies and priorities and greater visibility of defence institutions on social media".

NATO Watch director, Ian Davis, welcoming the new website and the growing parliamentary interest in improving NATO transparency and accountability said: *"The public's right to know is the most effective and inexpensive way to stop corruption and waste, and enhance efficiency and good governance. The scale and importance of the NATO security apparatus demands that it ought to be subject to close scrutiny. But NATO is the only major intergovernmental body not to have even a basic information disclosure policy".*

He added *"One way for the public and parliamentarians to really understand what's happening in NATO is to follow the money. But without a publicly available annual budget it is often impossible to grasp the significance of what's being proposed or implemented within the Alliance".*

Further reading:

[NATO Transparency and public Accountability](#), website of the Netherlands Court of Audit

[Billions of NATO-dollars unaccounted for](#), *De Volkskrant*, 10 June 2014

For further details on the democratic deficit within NATO and the measures need to rectify it, see NATO Watch [media briefing](#), 1 April 2014

The Transatlantic Bond reports:

[Collective Defence and Common Security - Twin Pillars of the Atlantic Alliance](#), Group of Policy Experts report to the NATO Secretary General, June 2014

[NATO at a Crossroads - Enhancing NATO's Credibility, Cohesion, And Capabilities For The Next Generation](#), NATO Emerging Leaders Working Group Report to the Secretary General, June 2014

[Declaration on transatlantic relations](#), NATO Parliamentary Assembly, May 2014

Notes for Editors:

The costs of running NATO and implementing its policies and activities are [officially met in two ways](#)—contributions to a common funding pool and participation in NATO-led operations—a third way of looking at the issue is to assess the extent to which nationally procured military forces also contribute to NATO's deterrence posture and Article 5 (collective defence) commitments. As regards the officially recognised budgetary process, direct contributions to the NATO common funding pool are made by members in accordance with an agreed [cost-sharing formula based on relative Gross National Income](#). There are three budgets within the common funding arrangements: a civil budget, a military budget and the Security Investment Programme, which pays for NATO installations and facilities. While the NATO website does provide some background on the process (as indicated via the links above) the actual budget amounts and respective member state contributions are not given.

The mapping of NATO-related defence expenditure, capabilities and infrastructure in NATO Member States would offer NATO professionals and related stakeholders an authoritative and structured factual reference system in the form of country profiles of each Member State's NATO commitment. One of the longest running fault lines within NATO has been the 'burden sharing' debate, with accusations that Europe spends too little on defence and is being protected at American taxpayer expense. But is the US-European 'capabilities gap' a result of European NATO countries spending too little or the United States spending too much?

Similarly, no one has provided a detailed breakdown of how the costs stack up for NATO missions in Kosovo, Afghanistan and Libya. A [2011 audit of Canada's contribution to NATO](#) (produced by the Chief Review Service of the Department of National Defence/Canadian Forces) is to date by far the most detailed account of a member state's NATO contribution. There are detailed figures for the three main NATO budget lines and it also examines some specific NATO programmes that Canada participates in. This report would be a good template for other member states to adopt. A consolidated report of NATO financial flows could then be constructed from a series of national NATO audits.

The new NCA website is a welcome first step in visualising NATO's financial flows and assessing the Alliance's level of transparency. It will provide taxpayers with an insight into NATO's funding flows. It is clear that there will be huge gaps in the NCA data (given the lack of information available from public sources). Relevant parties at NATO and auditors in other NATO member states should begin the process of helping to fill those gaps..

NATO Watch is an independent, not-for-profit 'virtual' think-tank which examines the role of NATO in public life and advocates for more openness, transparency and accountability within the Alliance. See our detailed [Frequently Asked Questions](#) and our [Vision and Mission](#). For further details [contact](#) NATO Watch.

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