

## HOW THE NATO SECURITY INVESTMENT PROGRAM (NSIP) COMPLEX PROJECTS ARE REALIZED

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NATO Security Investment Programme (NSIP) is a long-term program designed to build new infrastructure assets or improve existing infrastructure elements on member states or partner countries territory and is jointly funded by all member states. Since its establishment until now, this program has been a symbol for member countries for the effective sharing of obligations and benefits, and for those outside the Alliance a demonstration of the permanent involvement of its members in the joint defense of NATO populations and territories.

**Keywords:** NATO Security Investment Programme – NSIP; North Atlantic Treaty Organization – NATO; infrastructure; Capability Packages – CPs, projects.

The North Atlantic Treaty Organization (NATO) is a political and military alliance formed in 1949, which currently consists of 29 countries from Europe and North America, and of whose main objectives is to protect the populations and territories of its members through collective system of defense, and guaranteeing the freedom and security of its members through political and military means.

All member countries contribute to administrative expenditure for the functioning of the Alliance and each is represented by one permanent delegation at NATO headquarters in Brussels for taking decisions that are adopted only by consensus of all 29 members.

Following the 2014 Summit in Wales, the North Atlantic Alliance undertook a series of measures to strengthen collective defense, discourage any threatening action, and enhance and improve their defense capabilities.

At the Warsaw Summit in 2016, the Allies restated the commitment to the fundamental principles and values set out in the Washington Treaty, especially the principle of collective defense (Article 5) and the need of maintaining and developing their individual and collective capacity to resist to an armed attack (Article 3). However, the historic decisions were taken to strengthen the position of deterrence and defense and to increase the contribution of NATO to the

international community's efforts to maintain the existing stability in the world. Heads of states and governments participating in the Warsaw Summit confirmed the major common values that unite the states of North America and Europe and publicly restates the determination of sharing the responsibilities and benefits of security that are so necessary to NATO member states.

During the NATO Summit in Brussels in July 2018, member countries confirmed the decisions taken during the Summits in Wales and Warsaw regarding the relationship with the Russian Federation. NATO publicly declared the continuation of the process of strengthening the deterrence and defense position, including by means of increasing its military presence in the Eastern part of its own territories. NATO and Russia's civilian and military cooperation activities remained suspended, and the willingness to resume the political dialogue was reasserted, with the statement that the Alliance is not seeking confrontation and does not pose a threat to Russia.

### About NATO Security Investment Program (NSIP)

Throughout the entire history of mankind rarely was there such a case in which all members of a military alliance agreed to contribute to a common fund and put this initiative into practice, to respond and to cope with an outward threat to the Alliance.

Since the establishment of the North Atlantic Alliance, a need was identified for *joint funding* of the complex infrastructure projects, this requirement leading then, in 1950 to the constitution

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of the *NATO Infrastructure Program*. From the moment it was founded until now, this program has produced intense discussions and negotiations, due in particular to the financing needs of projects and the establishment of financing shares allocated to each participating nation in a specific project.

It is clear that the problem of cost sharing is a complex one. Negotiations have also included the payment capacity of member states, how they use the facilities they have made, and the benefits and costs owed to the Host Nation.

Subsequently, after several stages of development, influenced by successive reorganizations of the Alliance, changes in strategic concepts and strategies and by the new members joining, at the end of 1994, the NATO Infrastructure Program was renamed *the NATO Security Investment Program*, especially in order to emphasize that this action is an investment in collective security.

The NATO Security Investment Program (NSIP) seeks, through funding from NATO's common funds, to build or upgrade their capabilities needed to accomplish the NATO level of ambition, depending on the requirements identified in the NATO Defense Planning Process (NDPP).

The NSIP aim is to ensure peace, security and stability by strengthening and maintaining a strong transatlantic link that proves the solidarity of NATO member states, but also by continuing to accept and assume the roles, risks, responsibilities, costs and benefits of membership of the North-Atlantic Alliance<sup>1</sup>.

At present, the development of all construction and procurement based on Minimum Military Requirements (MMRs) required to support NATO's military capabilities is made by the staff responsible for logistic planning from Allied Command Operations (ACO) and from the Allied Command Transformation (ACT).

The implementation of NSIP projects in Romania is mainly aimed at the realization of the key capabilities needed to achieve the Allied level of ambition on the national territory. Also, capabilities built or improved through NSIP projects are intended to increase Romania's defense capacity.

Our country has always shown determination in achieving the deadline in substantiation and implementation of the NSIP projects for which its implementation authority was designated.

The Security Investment Program concept is NATO-specific and is dealt with in detail in all the

doctrinal documents of the North Atlantic Alliance logistics in the chapter dealing with the functional areas of logistics, namely in the infrastructure domain. This concept is one of the three pillars of NATO resources that, on the basis of the requirements identified by the Defense Planning Process, meet together to provide the NATO capabilities needed in order to fulfill the Alliance's military level of ambition. The other 2 pillars are *Manpower and Operations and Maintenance*<sup>2</sup>.

The NATO Security Investment Program consists of several individual components called Capabilities Packages, each of which occurring due to its own requirement, and these Capabilities consist of a series of projects.

The Capabilities Package may include projects starting from one (Stand Alone Project – SAP) up to more than one hundred, depending on the complexity of the requirement for which it was created.

NSIP projects' aim is to implement Capabilities Packages, and the responsibility for how a NSIP project is implemented is the responsibility of the Host Nation or the authority designated for it.

It all cases when a Capability Package requires funding through the use of NATO common funds, there are some procedural steps to be followed for the implementation and use:

- *Initiation*, where the requirements of the Capabilities Package are identified;
- *Defining the requirements*, in which military requirements are met;
- *Approval* of the Capability Package by the North Atlantic Council;
- *Implementation* of the Capability Package by the national authority;
- *Operation* of the Capability Package, by its use from designated user;
- *Decommissioning* and excluding the Capabilities Package from the NATO inventory when it is no longer needed.

In our country the Ministry of National Defense manages the processes of substantiation and implementation of NSIP approved projects for Romania and is responsible for carrying out the procurement of the procedures of goods, services and execution of works to implement these projects, as well as the execution of projects, the financial management of resources approved for execution of projects and the payment to NSIP suppliers.

Under NATO's property laws, the goods resulting from the implementation of NSIP projects are owned by the state on whose territory they are built and are included in the North Atlantic Alliance records for use in accordance with NATO operational capabilities requirements.

Specific processes for keeping in good conditions and upgrading existing military capabilities and – where necessary – for building new capabilities, should only be carried out with the efficient use of available resources, by precisely establishing national priorities, both for the capabilities that can be achieved through national funding, as well as those to be funded, substantiated and implemented jointly with other NATO member states or partners.

Setting the resource allocation priorities for the development of capabilities destined for national defense is made by pursuing the achievement of Romania and NATO's common goals in accordance with the priorities agreed upon jointly by our country and the North-Atlantic Alliance.

NATO Security Investment Program was created to help ensure peace, security and stability by establishing and maintaining a strong transatlantic link that demonstrates strong NATO solidarity and maintains a successful strategy of fair sharing of the roles, risks, responsibilities, costs and benefits, which link together the members of the North-Atlantic Alliance. However, due to the relatively small amount of contribution to the NSIP of each member country, set as a percentage of GDP (Gross Domestic Product), these national contributions were always perceived more as a political statement of solidarity among the NATO nations rather than a financial burden.

Its member status of the North-Atlantic Alliance imposed the harmonization of Romanian legislation with that specific to NATO regarding the procedures for management and use of the military objectives and facilities built in Romania through the NATO Security Investment Program.

The main document that legislates the conduct of specific activities substantiation and implementation of projects under the Program of NATO Security Investment is *NATO Capability Package Directive (Bi-SC 85-1)* periodically updated by care of the staff with responsibilities in that field from the NATO Strategic Commands structure.

In Romania, the Ministry of National Defense is responsible for carrying out NATO-type complex NSIP projects and implementing these projects, this activity being carried out through structures which are subordinated to Ministry of National Defense.

In Romanian Ministry of National Defense, NSIP project management is designed on three levels of responsibility for making decisions, namely the *strategic* level, the *integrator* and the level of *execution*.

At strategic level, the activity is coordinated by the Department for Defense Policy, Planning and International Relations (DPAPRI), through Integrated Defense Planning Directorate (DPIA), at integrator level NSIP activities are coordinated by the NSIP structure of the Logistics Directorate from Defense Staff HQ, and at the execution level NSIP activities are coordinated by Major Program directors, such as they were established by the Defense Planning Directive (DPD).

Sometimes, due to low funding levels, acquisitions and construction with lower priority requirements are postponed, and in other cases, projects for the restoration and upgrading of existing facilities are funded as Stand Alone Projects.

For each planned military operation, the Allied Command Operations (ACO) conceives infrastructure requirements to be included in the NATO medium-term resource planning. These plans are updated annually and reflect any changes approved by periodic reviews of missions. However, NATO procedures allow a fast change in urgent projects to support ongoing military operations and in response to unexpected threats to meet new emerging priorities.

For the NATO Security Investment Program (NSIP), facilities and equipment designated by the governments of the participating countries will be financed through the funds of this program within the limits agreed for joint financing. These may be used by one or more NATO nations, but sites acquisition and utilities providing remain the responsibility of the Host Nations.

NSIP currently has 137 Capabilities Packages at different stages of planning, verification, approval or implementation, and together represent a NATO commitment of over € 8 billion. The cost of projects may range from € 50,000 to several million in some cases<sup>3</sup>.

The decision-makers of the North Atlantic Alliance continue to approve and finance projects to improve infrastructure. Thus, NATO has recently accepted, among other infrastructure financing projects, to reimburse US investments for many projects funded within the European Reassurance Initiative (ERI).

The range of NSIP projects that can be funded through NATO common funds are mainly infrastructure projects within the locations set up for this.

NSIP projects in Romania are run through the Ministry of National Defense, after the signing of their acceptance documents by the Minister of National Defense, and the implementation of NSIP projects in Romania is carried out through the structures of the Ministry of National Defense with responsibilities in the investment projects management, according to legal, technical, financial and administrative framework of NATO, in collaboration with the North-Atlantic Alliance specialized structures.

A first step in NSIP projects implementation in Romania took place with NATO's Capabilities Package CP5A0062 – *Providing Operational Facilities in the seven new Member States* approval, a package comprising 10 NSIP projects – of which seven major projects and three minor projects – with a total initial value of 31,713,200 euros (of which NATO contribution: 20,816,636 euros and Romania contributions: 10,896,564 euros)<sup>4</sup>.

NATO Security Investment Program covers the specific processes and procedures, the capabilities needed to design, Capabilities Packages definition, analysis of available resources, investment proposal, implementation, acceptance and management till the decommissioning and removal from the NATO inventory.

Each project within a Capability Package is assigned to one of the member nations of NATO, to one of the Strategic Commands and sometimes even to a NATO agency responsible for delivering that component.

Typically, Capability Packages are designed to support and service the command structure of NATO, command, control and communications (C3), for deployable capabilities in support of the deployment of forces or for training, exercises and education in support of deployable forces.

Due to the size of NATO Security Investment

Program, the Capability Package funding is usually planned to take place over several years. The planned investment together with the necessary costs for labor and assistance can be found in *the Medium Term Resource Plan*, a five-year document that is annually updated. Under this plan, the annual amount of expenditure for NSIP is set and controlled by the Resource Policy and Planning Board (RPPB) and is called *the NSIP Ceiling*. This represents a commitment of NATO members to spend funds on identified and approved Capacities Packages in a calendar year only up to a certain amount.

With a Capability Package approval by the North Atlantic Council it is confirmed that the Capability Package identified and approved is the most cost-effective solution to cover a recognized deficit of military capabilities needed to meet the level of ambition of the Alliance.

The capability is used and remains in the NATO inventory until it is considered obsolete or a future NATO Defense Planning Process (NDPP) demand cycle considers it being exceeded by requirements and a formal decommissioning process is started.

Recently, Allies have approved new Capability Packages to provide infrastructure for airborne early warning (AEW), airborne ground surveillance (AGS), communication jammer, maritime patrol, and air transport aircraft<sup>5</sup>.

## Conclusions

The main findings of this article are as follows:

- NATO continues to pursue several lines of effort to achieve the goals of the insurance and discouragement initiatives, of which the most significant ones are:
  - continuing to increase the NATO military presence in Europe;
  - supplementing the number and increasing the size of NATO's joint and multinational exercises and training with NATO Allies and partners;
  - improving infrastructure elements to achieve a faster response rate for national and NATO forces;
- the funds allocated to complex NSIP-type projects in Romania provide flexibility and short-term response and increase the capacity of intervention and availability of the national armed

forces, the armed forces of NATO Allies and partners;

• one of the most important measures taken to strengthen the collective defense of the North Atlantic Alliance and Romania is for improving their own capabilities for defense or building new ones on Romania's territory through the NSIP complex projects.

#### NOTES:

1 <https://www.nato.mae.ro/node/1014>, accessed at 03.10.2018.

2 <https://www.act.nato.int/nsip>, accessed at 06.11.2018.

3 *Ibidem*.

4 [http://www.mapn.ro/evenimente/uploads/pdf/20161007\\_115124\\_dfd62b1ce91d4670da6903dc7b5a7df1.pdf](http://www.mapn.ro/evenimente/uploads/pdf/20161007_115124_dfd62b1ce91d4670da6903dc7b5a7df1.pdf), accessed at 12.04.2018.

5 [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2019/budget\\_justification/pdfs/11\\_NATO\\_Security\\_Investment\\_Program/FY19\\_NSIP\\_J-Book\\_Final.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2019/budget_justification/pdfs/11_NATO_Security_Investment_Program/FY19_NSIP_J-Book_Final.pdf), accessed at 08.12.2017.

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