

A world map where the countries of North America, Europe, and Turkey are highlighted in a vibrant blue color, representing NATO member states. The rest of the world's landmasses are shown in a light gray color with thin black outlines for country borders. The map is centered on the Atlantic Ocean.

# Doing Business With NATO

**An Introduction for Small and Midsized Enterprises**

miltoonUSA



# Table of contents

<b>Trends 2023–2030</b> .....	<b>4</b>	<b>NATO Procurement Rules</b> .....	<b>17</b>
<b>What Are the Needs?</b> .....	<b>6</b>	<b>The U.S. Department of Defense</b> .....	<b>19</b>
<b>NATO Budgets Explained</b> .....	<b>7</b>	<b>Final Word</b> .....	<b>21</b>
<b>NATO Institutions: Points of Entry</b> .....	<b>9</b>	<b>Advice and Information</b> .....	<b>22</b>
<b>Elements of A Successful Business Strategy</b> .....	<b>12</b>	<b>Annexes</b> .....	<b>23</b>
<b>Innovation Programs</b> .....	<b>15</b>		

**BUSINESS  
FINLAND**



# Welcome



## You're in NATO now

Defense contracting is evolving worldwide in many significant ways. Russian war in Ukraine, major increase in global defense spending, the merging of civilian and military technological applications, and new models of collaboration are rebooting the industry.

These changes have been amplified and accelerated by the accession of Finland and Sweden to membership in NATO, bringing enhanced scope and broadening the capabilities of the Alliance.

This historical point of inflection presents Finnish and Swedish companies with an unprecedented opportunity to form new partnerships and enter new markets. The interest in growing the Alliance's capabilities is intense.

Our Guidebook is designed to help Finnish and Swedish companies take full advantage of this opportunity by providing a basic introduction to their new operating environment. SMEs in all NATO countries can, of course, benefit equally from the same up-to-date information.

We extend special thanks to C.E.O. Nina Kopola at Business Finland, C.E.O. Jan Larsson at Business Sweden, and C.E.O. Håkon Haugli at Innovation Norway for their organizations' generous participation in this undertaking.

Miltton USA stands ready, willing, and able to support and assist your company in its entry into the opening markets. We are excited by the prospect of partnering with you in transformative growth, as we contribute together to the strengthening of the ties between our countries through innovation, business, and investment.

**With our publication we wish you every success in well-guided ventures!**

**Charles C. Adams, Jr.**  
Co-Founder and Board Director,  
Miltton USA  
Former Ambassador of the United States to the Republic of Finland

This guidebook does not constitute legal advice.

# Trends: 2023-2030

NATO is undertaking “the biggest overhaul of collective defense and deterrence since the Cold War.”<sup>1</sup> This overhaul begins with the repositioning of NATO forces across the European continent. It includes historic increases in defense budgets; new measures to cultivate and acquire cutting-edge technologies; and a push for enhanced standardization and co-production across platforms.

A. **Force Realignment:** In response to Russia’s unprovoked assault against sovereign Ukraine, NATO has placed 40,000 troops and assets on the Alliance’s eastern flank, established four new multinational battlegroups in Bulgaria, Hungary, Romania, and Slovakia. It has also created a “Very High Readiness Joint Task Force” to better respond to threats from the east and south of the Alliance and announced the first permanent U.S. forces on NATO’s Eastern Flank at the U.S. Army V Corps Headquarters Forward Command Post in Poland. These

moves will require significant prepositioning (or “prepo”) of supplies, materiel, and support systems.

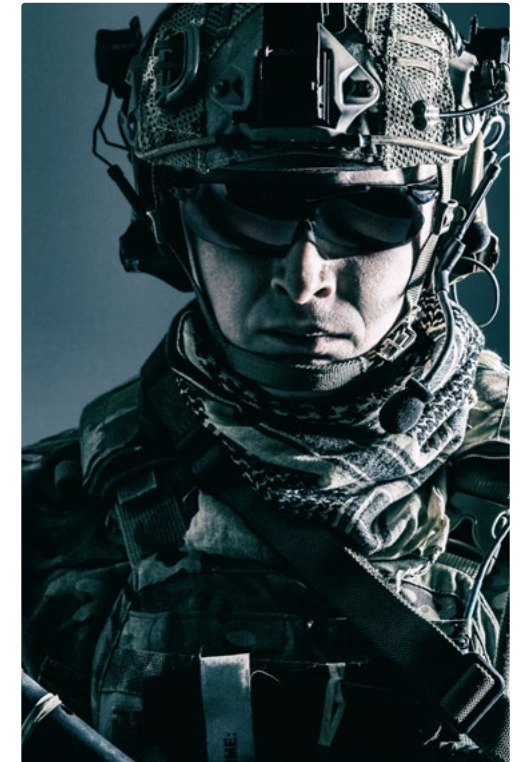
B. **Increased Defense Spending:** At the 2022 NATO Summit in Madrid, NATO members collectively reaffirmed the goal of allocating 2% of gross domestic product (GDP) for defense spending. In addition, NATO Allies have agreed in principle to devote at least 20% of defense expenditures to major equipment spending, which includes the associated research and development (R&D). Several countries have already achieved these targets. Norway, Estonia, and Lithuania have pledged to meet the 2% level this year. Finland is already at 2% with plans to further increase defense spending by EUR 2.2 billion over four years. Germany, the third largest contributor to NATO, has said it will boost defense spending to over 2% of GDP via an EUR 100 billion special fund for military equipment

modernization,<sup>2</sup> allocated over several years. The UK plans to achieve a 25% increase in military spending by 2030. Belgium will add EUR 11.7 billion to its defense budget and will acquire two new anti-submarine warfare frigates with ballistic missile defense interoperability and four new search and rescue helicopters.<sup>3</sup>

The United States and NATO Allies are working to rapidly replace equipment donated to Ukraine as well as producing and delivering new equipment requested by the Ukrainian military. There have already been more than 20 “drawdowns” of materiel and weapons from U.S. and NATO stocks in 2022, with more expected, and all of this must be backfilled. U.S. assistance to Ukraine has included: appropriations of USD 12.55 billion to replenish U.S. Department of Defense equipment stocks already sent to Ukraine under a “presidential drawdown authority”; USD 6.3

billion for the Defense Department’s Ukraine Security Assistance Initiative; and USD 4.65 billion under the Foreign Military Financing program, according to the Congressional Research Service.<sup>4</sup>

The EU’s European Peace Facility peace facility is financing EU Member States’ decisions to supply defense equipment to Ukraine with a level of support reaching over EUR 1 billion to date. A separate EU European Mobility Program (EUR 1.7 billion) is designed to upgrade transport infrastructure so that military assets can be moved swiftly among EU countries.<sup>5</sup> The EU’s Permanent Structured Cooperation (**PESCO**) initiative seeks to enhance defense integration (joint procurement, joint development, synchronizing national defense planning) among EU member states.<sup>6</sup> It has 60 ongoing projects.



<sup>1</sup> www <sup>2</sup> www <sup>3</sup> www

<sup>4</sup> www <sup>5</sup> pdf

<sup>6</sup> Max Bergman, CSIS and Atlantic Council EU-US Defense and Future Forum June 22, 2022



**C. Rapid Adoption of New Technologies:**

NATO's new **Strategic Concept**, a roadmap adopted in June 2022 at the NATO Madrid Summit, recognizes that Russia is actively disrupting and undermining security and peace not just on the European continent, but also within European NATO member states. The strategic concept also flags that the stated goals and coercive policies of the Peoples' Republic of China (PRC) – which is employing a **military-civil fusion** strategy to bolster the capabilities of the Peoples Liberation Army (PLA) – poses a long-term challenge to European security, prosperity, freedom, and values. The NATO strategy explains: “The PRC’s malicious hybrid and cyber operations and its confrontational rhetoric and disinformation target Allies and harm Alliance security.

The PRC seeks to control key technological and industrial sectors, critical infrastructure, and strategic materials and supply chains. It uses its economic leverage to create strategic dependencies and enhance its influence.” To respond to these challenges, NATO members pledged in 2022 to

“promote innovation and increase our investments in emerging and disruptive technologies to retain our interoperability and military edge. We will work together to adopt and integrate new technologies, cooperate with the private sector, (and) protect our innovation ecosystems.”<sup>7</sup> Former Director of the Pentagon’s Defense Innovation Unit **Mike Brown** said that NATO militaries need faster systems that allow more rapid adoption of new technologies.<sup>8</sup>

**D. Enhanced Collaboration and Standardization:**

Because no European NATO member state can rely solely on its own resources to meet this new level of defense and security needs, there will be a push for collaboration in production, alongside an effort to diversify supply chains. We can also expect to see more shared platforms and common standards to enable interoperability across the Alliance. “The work NATO and key allies... are doing to establish a set of realistic combined arms at the strategic, operational and tactical level are essential,”<sup>9</sup> according to Chief of the Norwegian Army Major General **Lars Lervik**. Policymakers on



both sides of the Atlantic are coming to realize that a “build allied” approach (featuring co-production and licensed manufacturing and other flexibilities) increases resiliency and interoperability and will also allow for more “hot production lines” when needed.<sup>10</sup> Leonardo DRS CEO **William J. Lynn III** explained, “If you’re an American prime (contractor), maybe you want to team with a European to improve your chances. There’s going to be more funding, there is certainly going to be interest in promoting European

defense industry, [but] also interest in American products.”<sup>11</sup>

**The Benefits to NATO of Sweden and Finland Membership:** In July 2022, NATO representatives signed protocols to officially invite Sweden and Finland to join the Alliance. Sweden and Finland – and by extension Swedish and Finnish companies – would bring significant capabilities to NATO, and bolster NATO’s footprint in the strategically important Nordic, Baltic, and Arctic regions. “(Sweden and Finland) are militarily advanced

and technologically savvy. Each country’s regional expertise on Russia and traditions of “total defense” will also add to NATO’s understanding of Northern European security challenges,” wrote **Daniel S. Hamilton** of the Brookings Institution.<sup>12</sup> As Enhanced Opportunity Partners and Partnership for Peace members, Finland and Sweden already use doctrine and equipment that make their forces interoperable with NATO forces, which is an advantage.<sup>13</sup> Sweden is in discussions with NATO and other allies about how it might spend an additional 0.5% of GDP on defense in the coming years to reach the NATO 2% commitment by 2028. Sweden will also decide on whether to continue to maintain full spectrum capabilities or whether it should specialize in a particular domain in collaboration with Nordic and Baltic neighbors.

<sup>7</sup> 2022 NATO Strategic Concept, para 24

<sup>8</sup> www

<sup>9</sup> www

<sup>10</sup> Dan Fata and Jerry McGinn, Defense News, September 27, 2022

<sup>11</sup> Breaking Defense, Aug 12, 2022

<sup>12</sup> www

<sup>13</sup> www

# What Are the Needs?

We assess that from 2022-2030, NATO member state militaries will have significant new needs for services and equipment (both high tech and low tech). These needs are evolving as NATO members apply lessons learned from the Russia-Ukraine war. We expect that the following domains (listed in no particular order) will be high priority in the near- to medium-term:

- Maritime security
- Aviation
- Unmanned Aircraft Systems (UAS)
- Counter-UAS
- Counter-Long Range Fires
- Secure Tactical Communications
- Counter-Mortar Radars
- Space and satellite technology
- Cyber defense
- Mine detection and demining
- Artificial Intelligence
- Quantum Computing
- Renewable energy and propulsion
- Communications
- Armaments

- Vehicles
- Supplies and logistics
- Novel materials
- Digital transformation for engineering and manufacturing
- Biological, radiological, and nuclear detection/deterrence
- Infrastructure (to support new troop deployments on NATO's eastern front)

The U.S. Department of Defense (DoD) has announced 14 critical technologies<sup>1</sup> of focus for evaluation and rapid fielding. These are: biotechnology, quantum science, Future Generation (FutureG) wireless technology, advanced materials, trusted artificial intelligence (AI) and autonomy, Integrated Network Systems-of-Systems, microelectronics, space technology, renewable energy generation and storage, advanced computing and software, human-machine interfaces, directed energy, hypersonics, and integrated sensing and cyber.”

<sup>1</sup>www



## Breakout: Clean Energy

According to **Louise van Schaik** of the Clingendael Institute, “NATO and European armies can gain a strategic advantage when moving fast with decarbonizing military infrastructure and industry.” For example, powering a communications outpost with wind or solar reduces the logistical headache of fuel delivery. Microgrids, nanogrids, and distributed energy systems also make it more difficult for the enemy to disrupt operations because they eliminate a central power node. Furthermore, green energy helps address the looming climate change threat, which NATO acknowledges is an existential challenge. NATO leaders agreed in 2022 that the organization “will contribute to combatting climate change by reducing greenhouse gas emissions, improving energy efficiency, investing in the transition to clean energy sources and leveraging green technologies, while ensuring military effectiveness and a credible deterrence and defence posture.”



# NATO Budgets Explained

The NATO defense market is vast, complex, and features many points of entry. For companies interested in participating in NATO procurement, having a basic understanding of NATO budgets and NATO institutions can help prioritize their engagement. This section explains the differences among national defense budgets, NATO Common Funding, Multilateral Funding, and Indirect Contributions to NATO.



- **National Defense Budgets:** Military spending is a sovereign responsibility of each member state. Within the 30-member NATO Alliance, the vast majority of defense spending and acquisition occurs at the national level, i.e., within national military budgets. That said, NATO member states take into account their respective NATO obligations, NATO objectives and policy when developing their domestic defense and foreign affairs budgets. In total, defense spending by European NATO

members plus Canada reached USD 323 billion in 2021. The United States by comparison spent USD 726 billion in 2021.<sup>1</sup> (See Annex for comparison charts.) The [NATO Defense Planning Process \(NDPP\)](#) is an important framework through which Allies coordinate their national defense plans. The process also identifies needed capabilities and promotes their development and acquisition by Allies.

- **NATO Common Funds are direct contributions** that finance NATO's

budgets, programs, and capabilities in the service of the entire Alliance, and which could not reasonably be shouldered by any single member. NATO member governments contribute to the Common Funding account based on a cost-sharing apportionment according to a country's gross national income. Total Common Funding was EUR 2.5 billion for 2022.<sup>2</sup> (Note: This represents only 0.3% of total Allied defense budgets.)<sup>3</sup> The NATO Common Funding account consists of three sub-components: the

NATO *civil budget*, the NATO *military budget*, and the NATO *Security Investment Programme* (explained in further detail below). Illustrative examples include NATO command and control equipment, satellite communications services, information technology (IT) hardware and software, civil construction works, and camp services for Alliance operations and missions, such as the NATO-led Kosovo Force (KFOR).<sup>4</sup> Over and above means that requirements are eligible for common funding if they are a validated NATO military requirement and are over and above those that could reasonably be expected to be made available from national resources.

- **The Civil Budget** – Financed by member state foreign ministry budgets, the Civil Budget covers expenses of the NATO Headquarters offices in Belgium, including its civilian personnel, operating costs, and capital and program

expenditures. The Civil Budget also funds public diplomacy programs, the Science for Peace and Security Program, [Partnership for Peace](#) support activities, and the Defense Against Terrorism Program of Work, both in Belgium and at NATO offices or facilities elsewhere. These Civil Budget programs occasionally offer opportunities for small-scale, innovative, non-military, or outreach-focused programming ideally suited to SMEs. Total funding is EUR 289.1 million for 2022.

<sup>1</sup>These figures include contributions to the NATO Common Funding programs.

<sup>2</sup>At the recent NATO Summit in Madrid, Allies agreed in principle to nearly double the common funding budget by 2030 to help support and procure commonly needed supplies and materiel – such as pre-positioned equipment, logistics, food, and medical supplies – as well as to fund increased training and exercises, and enhanced command and control facilities.

<sup>3</sup>www

<sup>4</sup>www

– **The Military Budget** – The NATO Military Budget is funded by national defense budgets and supervised by the NATO Military Budget Committee. It covers the NATO International Military Staff, the NATO Strategic Commands, all subordinate commands, the NATO Airborne Warning and Control System (AWACS), and other operations supporting NATO missions, including the Joint Warfare Centre (Norway), the Joint Force Training Centre (Poland), the Joint Analysis and Lessons Learned Centre (Portugal), the NATO Defense College (Italy), the NATO Standardization Office (Belgium), the NATO Communications and Information Agency (Belgium, Netherlands and Portugal), the NATO Science and Technology Organization (Belgium and Paris), and the Centre for Maritime Research and Experimentation (Italy). It also funds some limited Partnership for Peace and Mediterranean Dialogue (MD) support activities. Like opportunities in the civil budget, the military budget support facilities often seek smaller-scale,

innovative partners to fill capability gaps. Total funding is EUR 1.56 billion for 2022.

– **The NATO Security Investment Programme (NSIP)** – The NSIP represents the largest part of military common funding. NSIP comprises all types of investments, civil works, Air C2, CIS, or others, as long as they satisfy a valid NATO military requirement. The strategic commands (ACO and ACT) decide whether a requirement is a NATO military requirement. When an NSIP project is taken forward for implementation, a “host nation” will be designated. The “host nation” is responsible to the Investment Committee for implementation and will recoup eligible funding. The host nation is responsible for the project management including contracting, disbursing, etc. with their own systems, checks and balances because NSIP is not a NATO budget, but it remains subject to NATO auditing. Advance funding can be requested. Member nations, NATO Agencies and, in some cases, a Strategic Command, can be designated

as “host nations”. When a member nation is “host nation”, NATO’s formal point of contact is that nation’s delegation to NATO HQ, Brussels. During the project development process, a host nation may conduct a market survey or industry consultation to determine what capabilities and vendors exist. When an NSIP project is taken forward for implementation, a “host nation” will be designated. The “host nation” is responsible to the Investment Committee for implementation and will recoup eligible funding. The host nation is responsible for the project management including contracting, disbursing, etc. with their own systems, checks and balances because NSIP is not a NATO budget, but it remains subject to NATO auditing. Advance funding can be requested. Member nations, NATO Agencies and, in some cases, a Strategic Command, can be designated as “host nations”. When a member nation is “host nation”, NATO’s formal point of contact is that nation’s delegation to NATO HQ, Brussels. Total NSIP funding was EUR 790 million for 2022.

- **Indirect Contributions** – The overwhelming share of NATO member state contributions to NATO operations and missions, to the military personnel in the command structure and nations’ military capabilities are funded by each member nation. In operations and missions troops, their equipment and support are the responsibility of the nation who participates, known as “costs lie where they fall”. An example is NATO Mission in Kosovo (KFOR), and NATO’s involvement in Afghanistan through International Security Assistance Force (ISAF) was another. SMEs seeking to engage in such business opportunities should do so through procurement processes in the participating member states. Common funding was a substantive enabler of those efforts in addition to national funding.
- **Multinational or Joint Funding Arrangements:** NATO members and partners may identify –on an basis– a shared set of requirements for a particular procurement or mission, such as acquisition of an aircraft platform, ships, or weapons systems. This

process enables smaller countries to pool their resources. Participating member states agree to fund program development or acquisition, and a NATO agency will most often provide management and oversight functions to the project. The assigned NATO agency may also coordinate research and development, standardization, and intelligence-sharing among Allies. Examples: Eight NATO Allies have joined forces on a Maritime Multi Mission Aircraft project, and ten NATO members have signed an agreement for the NATO Flight Training Europe initiative. A comprehensive list of multilateral/joint projects can be found on the [NATO webpage for multinational capability cooperation](#). SMEs are best placed to identify opportunities by networking with member state representations at NATO and with defense and foreign ministry offices that oversee NATO participation. Both individual and groups of nations may use NATO agencies for their individual acquisition requirements, in particular using the NSPA.



# NATO Institutions: Points of Entry

NATO has two strategic [commands](#), several operational and tactical [sub-commands](#), a dozen [agencies](#), and a number of [Centres of Excellence](#). SMEs looking for opportunities should familiarize themselves with the work of each NATO entity and identify which lines of effort match their areas of expertise. Most of these institutions have their own individual contracting/procurement office which will list future business opportunities (FBOs), notices of intent to solicit bids (NOIs), requests for information (RFIs), and requests for proposals (RFPs). These announcements provide a good starting point for companies, but they do not represent the totality of unmet needs within NATO militaries. The first priority of any company is to understand the opportunities, then make compliant bids with the understanding that the applicable regulations are those specified for the tender in question. Understanding the opportunities will include becoming sufficiently familiar with the various points of entry (NATO

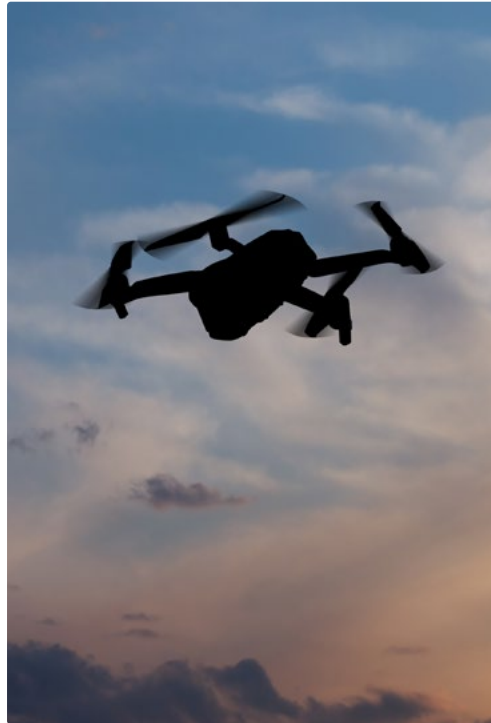


agencies, host nations and commands) to understand where attention can be best focused.

- **Host Country Ministry of Defense:** As mentioned, the largest portion of NATO military spending occurs at the national level. We recommend therefore that SMEs begin by exploring their home country's ministry of defense (MOD) procurement website, and informing the ministry of their company's capabilities and interest in NATO defense opportunities. SMEs should endeavor to forge a close working relationship with the MOD and ministry of foreign affairs (MFA), including the member state's NATO representation office in Brussels. NATO Agencies NATO Commands publish most of their business opportunities on their web pages. NATO member states when they are host nations have various ways to publish the tenders in accordance with the procurement method decided and

national practice. It may be in the language of the host nation. If it is not easy to find, a request for information to the NATO delegation of the member state is a way to find out. The MOD is also responsible for issuing your company a “Declaration of Eligibility” to bid on NATO opportunities. These first steps will open the door for SMEs to monitor a wide range of procurement entry points, register themselves on a list of approved providers, and learn about upcoming requirements in order to target their efforts effectively. Your nation’s delegation can help you determine if you are qualified to bid. If you qualify as an eligible bidder, your company will receive an Invitation to Bid from whichever host nation is managing a particular NATO project.

- **The NATO Support and Procurement Agency (NSPA)**, based in Luxembourg, is the primary logistics support management agency at NATO. The agency offers full “lifecycle support” including procurement and acquisition for armaments, logistics, food, engineering, operational and systems support and services



for NATO offices and member state militaries upon request by a member state. The agency also supports member nations in developing concepts, serving as contracting officer, turning those concepts into acquisitions, and fielding them. This is especially useful for smaller NATO member states who can benefit from leveraging NSPA capabilities. For example,

there was recently a NATO-wide RFP issued for trailer-mounted modular kitchens for the Portuguese Army. Companies must [register](#) in the NSPA Source File database to do business with NSPA. Once the registration process is complete, NSPA will obtain certification from the member nation that the firm is eligible to participate in procurement actions initiated by the national military services of that country. If successful, the system will issue the company a NATO Commercial and Government Entity Code. This “CAGE” code is necessary for bidding opportunities. Criteria for bidding includes “legal residency, national eligibility status, present capability, financial standing and past performance.” Over 60,000 companies are registered in the vendor database, 10,000 of which are actively doing business with NSPA. Past NSPA awards can be found [here](#). Unlike the U.S. Department of Defense, NSPA does not offer small businesses any special bidding preferences or programs. For awards over EUR 80,000, NSPA uses a “balancing criteria” to ensure a fair ratio of how much a country sells to how much

it purchases via NSPA. Procurement officials from a NATO member MOD told the author of this report that they expect the NSPA’s role in NATO procurement to grow significantly in the coming months and years.

- **Allied Command Operations (ACO)**. ACO is one of two of NATO’s strategic commands. Its mission is to safeguard NATO’s European geographic region. Its headquarters is the Supreme Headquarters Allied Powers Europe (SHAPE) near Mons, Belgium. SHAPE is also the contracting agency for NATO Crisis Response Operations.<sup>1</sup> ACO has its own procurement office, as do its subordinate operational-level Joint Force Commands located at Brunssum, Netherlands, and Naples, Italy. Tactical-level subordinate commands are located at Izmir, Turkey (Land), Northwood, UK (Maritime), and Ramstein, Germany (Air). ACO mainly spends military budget funds rather than NSIP funds. The ACO [procurement and vendor registration portal](#) is on the SHAPE website.

<sup>1</sup>www

## SPOTLIGHT



### Where to settle in the U.S.?

When you are ready to tap into the world’s largest defense and aerospace ecosystem, where to find a location? As one of the leading economic engines of the Washington, D.C., region, Fairfax County actively works with a large number of European companies.

#### Facts to consider:

- \$120+ billion economy
- \$31 billion in annual federal contract awards
- 60% of the U.S. market accessible with a 2-hour flight
- 140+ international destinations accessible with daily flights



- **Allied Command Transformation (ACT)** is the second of two NATO Strategic Commands. Based in Norfolk, Virginia, USA, ACT’s mission is to transform NATO’s military capabilities, prepare, support, and sustain Alliance operations, implement the NATO Response Force (NRF) and other deployable capabilities. Its projects, which include consulting opportunities, are listed on the [ACT contracting page](#). The ACT website includes separate links for ACT affiliate organizations including the Joint Warfare Center (Norway), the Joint Analysis and Lessons Learned Centre and the Joint Forces Training Center (Poland). The [JWC](#), [JALLC](#) and [JFTC](#) have their own portals.
- **NATO International Staff** (Brussels HQ) - Business opportunities at NATO International Staff span a variety of goods and services including IT and communications services, construction works, facility management, maintenance, and consultancy services. Companies must register on the NATO BizOpps [portal](#) to sell to NATO International Staff.

- **NATO International Military Staff (IMS)** also procures a select amount of goods and services, including consultant services. The IMS provides military advice and staff support for the Military Committee (MC), which is comprised of the senior military officers from NATO member countries who serve as their country’s permanent Military Representative (MILREP) to NATO.
- **NATO Communications and Information Agency (NCIA or NCI Agency)** is the NATO agency responsible for developing, procuring, and supporting air command, control, communications and cybersecurity; intelligence, surveillance and reconnaissance (C4ISR); and supporting the [NCI Academy](#). It has offices in Brussels, Mons, and The Hague, plus affiliate offices throughout NATO. NCIA contracts offer short-term performance periods, which can be useful for SMEs. Current NCIA opportunities are posted on the [NCIA opportunities webpage](#). For example, NCIA has issued a [Notice of Intent](#) to invite bids for Biometrics Identity Intelligence Capability for the NATO-led



Kosovo Force (KFOR). NCIA uses any established NATO procurement method and their own “Basic Ordering Agreement” method, which it describes as an accelerated procurement procedure used to acquire commercial off-the-shelf (COTS) products and services for a short-term

performance period, tailored for SMEs. The NCIA site also has a handy “[Do Business with Us](#)” guide on its website.

- **NATO Science and Technology Organization (STO)** is dedicated to collaborative scientific research and

testing. Its program of work includes over 300 projects that span a wide range of fields including autonomous systems, anti-submarine warfare, hypersonic vehicles, quantum radar, and the impact of social media on military operations. STO includes a Centre for Maritime Research and Experimentation (CMRE) in La Spezia, Italy, and a Collaboration Support Office (CSO) in Neuilly-sur-Seine, France, which handles procurement. Contacts at STO can be found [here](#).

- **NATO Industrial Advisory Group (NIAG)** is made up of high-level representatives of industry from individual NATO member states. Its role is to interact with industry “at the non-contractual or pre-competitive level.” Member states and national-level defense industrial organizations/associations have a role in nominating their NIAG representative. There is also a Secretary General’s Advisory Group on Emerging and Disruptive Technologies featuring 12 experts from industry and academia that advise senior NATO leadership and issue an annual [report](#).

# Elements of a Successful Business Strategy



To augment their business strategy, a company may want to consider joining their national **defense industry association** (see [Annex 2](#)) or an **industry consortium**. Often, consortia will receive early notice of government procurement needs and may collaborate among their members to develop solutions. Procurement officials recommend that

companies should seek out **prime contractors** that have existing defense contracts. Prime contractors are not only experienced in navigating the complex procurement ecosystem, but they may also have a capability gap that could be filled by an SME. Most governments will offer a list of prime contractors on their procurement websites. Large,

established defense contractors often have an innovation office whose sole function is to identify technologies and outside companies that offer something the prime contractor does not have. The Alliance's effort to spread opportunities equitably across NATO member states makes multinational consortia and partnerships with existing participants in

NATO procurements useful entry points for newcomers.

In addition to meeting prime contractors and other industry partners, successful bidders should seek out conversations with **potential end users** of their technology. End users reside at individual NATO agencies, combatant

commands, as well as national-level military branches (navy, army, coast guard, air force), wings, military bases, training centers, etc. Each of these has a role to play in acquisition. Identifying an acquisitions program manager and understanding their unique problem set can yield valuable market intelligence for solution providers.



One way to meet end users and learn about future needs is by participating in **Industry Days**, which are public engagement events organized around a specific domain. They are designed to help NATO militaries identify novel solutions as well as to familiarize companies with contract opportunities. For example, NSPA hosted a UK industry day in 2022, a commercial transport industry day in 2022, and a France industry day in 2021. A company must be registered with NCI and NSPA to attend NATO industry days. Other examples include:

- **NATO Edge**, an NCI event held in October 2022 in Mons, Belgium, which focused on digital transformation, innovative partnerships, technological resilience, and agile acquisition. The conference also featured an innovation challenge **competition**.
- The NATO **Industry Forum** is a semi-annual event for strategic engagement with industry. It was last held in Rome, Italy, in November 2021.
- The NSPA **Construction and Infrastructure Virtual Industry Day** was held in October 2022.

- NSPA will host a Clean Energy Industry Event on June 7-8, 2023.
- NATO's 28 **Centres of Excellence**, which promote training and best practices in specific areas like cybersecurity or intelligence, organize industry days to increase understanding of the latest technological developments and define specific requirements. NCI's Technology Watch, the NATO Life Cycle Management Conference, ACT's NATO Network Enabled Capability Conference, and the NATO CA2X2 (Computer Assisted Analysis, Exercise, Experimentation) Forum are organized by the NATO Modelling and Simulation Centre of Excellence.
- NATO member state MODs periodically host industry days as well. For example, the Danish Ministry of Defense Acquisition and Logistics Organization (DALO) held an industry day event in Copenhagen in 2022.
- NSPA helps member states organize periodic seminars on "How to do business with NATO." These events, which are organized with chambers

of commerce and industry and relevant government ministries, are "particularly powerful in enabling the engagement of SMEs in NATO business," according to NSPA.

- There are dozens of private defense industry trade shows that take place in Europe, Canada, and the United States each year. These include the Paris-based **Eurostatory**, the Global Special Operations Foundation Forum, Budapest's **Global Special Operations Forces fora**, and the **London Defense Security Expo (DSEI)**.
- U.S.-based trade shows include the **Association of the U.S. Army (AUSA)** Annual Meeting and Exhibition in Washington, DC, the Air Force Association Air Space and Cyber **Conference**, and the Special Operations Forces Industry Conference (**SOFIC**) held in Tampa, Florida. These events attract a variety of European companies and European military officials. In fact, industry associations often organize a country "pavilion" at these events.



There are also various NATO-sponsored **military exercises** that welcome private sector participation. For example, the Norwegian Military holds an annual **Arc-tic Warrior Experiment** to “challenge industry and the research community to develop new concepts and military equipment that increase the winter war-fighter’s capabilities in an Arctic environ-ment.” NATO’s ACT hosts the Think-tank for Information, Decision and Execu-tion Superiority (TIDE Sprint). Unified-Vision is a biennial Intelligence, Surveil-lance and Reconnaissance trial hosted by NATO’s Conference of Naval Armaments Directors (**CNAD**). The **Joint Multina-tional Readiness Center** (Hohenfels, Germany) holds periodic training events. The Coalition Warfare Interoperability Experiment is a venue for testing and evaluating nations’ interoperability in the field of C3–C4ISR. The U.S. National Guard stages the “Northern Strike” a winter exercise in Michigan, USA.

One industry expert recommended that startups “develop a commercial product first and successfully scale their busi-ness in the commercial markets. Only after they reach **sufficient commercial success** to survive the byzantine maze

of defense acquisitions should they try to adapt their products for the military.”<sup>1</sup> Procurement officers we interviewed for this project underscored the importance of having a one-page **capability state-ment** that summarizes the company’s experience and the solutions it offers, as well as a presentation **pitch deck** that has ideally been reviewed by a retired military professional who can make sug-gestions for transposing commercial jar-gon into “military speak.”

Companies preparing to speak to mil-itary buyers might ask themselves the following questions:

- What problem set or “pain point” am I trying to solve?
- What is my value proposition? (The unique technology yields what ben-efits?)
- Where are the potential savings for the warfighter (time, cost, energy, manpower, lives)?
- What is my **Technical Readiness Level** (TRL)?
- Can I demonstrate success?
- What is the timeline for me to adapt my commercial technology to defense needs?

- What is my commercial viability/ go-to-market strategy?

Companies might note that the **incen-tive structure** in the defense sector is different from private entities. An end user must have three things in order to be a viable customer: a) requirement (a mandate); b) acquiring authority (abil-ity to sign a purchase contract); and c) top cover (a.k.a., a “champion”) within his/her/their organization. Arguably, no contract can be signed without fund-ing appropriation either for the program itself or for the department/ministry/ agency to procure the item or service.

Historically speaking, companies can expect an **18-month horizon**<sup>2</sup> to win a defense contract and three to 12 months for an R&D grant. Fortunately, there is a movement within the defense sector to shorten this timeline due to press-ing capability needs. Bidders should also bear in mind that defense market works on its own timeline with a **unique budget cycle** that is different from the commer-cial market, and there are different cycles across the Alliance. Building relationships with both defense and finance minis-tries officials in key markets can be very

helpful and insightful when it comes to understanding whether programs will or will not be funded in a calendar year. The United States Federal Government works on a fiscal year that begins October 1 and ends September 30. At any one given time, the Pentagon is simultaneously working on three defense budgets—the current year that is being executed, the immediate next year, and the year that follows. Moreover, most Congressional-ly-appropriated funds for the Pentagon are “two-year monies” which means the Department of Defense has two fiscal budget years to spend the funds before they have to return them to the U.S. Treasury.

Note: For market intelligence at the national level, the U.S. Department of Commerce provides aerospace and defense market overviews for most European countries. Here is an example of their survey of the defense market in **Poland**.

<sup>1</sup> www

<sup>2</sup> www

## SPOTLIGHT



## Your neighborhood

In the past year, several multi-billion-dollar companies have moved their headquarters to the Washington, D.C., metropolitan area. Especially Fairfax County, Virginia, is becoming an innovation and collaborative hotspot.

### Facts to consider:

- 150,000+ businesses
- 8,700+ tech firms
- 430+ foreign-owned companies representing 45 countries
- 9 Fortune 500 headquarters



# Innovation Programs

Innovation programs, broadly defined, offer entities funding or other kinds of support for R&D, prototyping, and scaling of new technologies that might benefit the military. For companies, they can fill the funding gap when private capital falls short. They can also provide a pathway to a future defense contract. For militaries, these programs serve a dual purpose by filling the need for unique solutions while fostering a vibrant domestic defense industrial base.

The [Defense Innovation Accelerator for the North Atlantic](#) (DIANA) is NATO's new accelerator program for startups. It runs a "challenge program" that will pair innovators with a [network](#) of nine European and North American accelerator sites and 63 test centers, with the goal of incubating emerging technologies. Companies will also receive non-dilutive financing and mentorship with the possibility for contracts with Allies for dual-use technology solutions. The United Kingdom and Estonia will establish the

DIANA European headquarters, and Tehnopol Science and Business Park/Tartu Science Park (Estonia) will house one of DIANA's accelerators and three test sites. The Niels Bohr Institute at the University of Copenhagen will host an accelerator focused on quantum technologies. DIANA will begin pilot activities as early as summer 2023 and will be fully operational in 2025, according to NATO.

The [NATO Innovation Fund](#) (housed under DIANA) is a new EUR 1 billion venture capital fund that will invest in early-stage start-ups developing dual-use emerging and disruptive technologies. Twenty-two NATO members agreed to create this multinational fund. The competitive grant program plans to spend GBP 57 million per year over 15 years. The goal is to bring to life nascent technologies and strengthen the innovation ecosystem across NATO, according to Secretary General **Jens Stoltenberg**. Funding will be eligible for companies from contributing



countries: Belgium, Bulgaria, Czechia, Denmark, Estonia, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Türkiye, and the United Kingdom (as of September 2022). "Technologies of focus" include artificial intelligence, big-data processing, quantum-enabled technologies, autonomy, biotechnology and human enhancement, novel materials, energy, propulsion, and space. The modalities of implementation are still being determined, but industry experts predict grants will begin to flow in 2023. Netherlands Minister of Defense **Kajsa Ollongren** said that the Innovation Fund is designed to create more opportunities for SMEs in an environment where large defense contractors traditionally receive the lion's share of funding.<sup>1</sup>

<sup>1</sup>Atlantic Council Event, Washington DC, August 2022



The EU's [European Defence Fund](#) (EDF) Industrial Development Programme (EUR 7.9 billion 2022-2027) is managed by the European Commission. Its funding and tenders link can be found [here](#). The Fund supports collaborative R&D projects and research projects. Projects must involve participants from at least three EU member states. The program favors SMEs, and 4-8% of funding is reserved for innovative disruptive technologies. The initiative was designed to reduce fragmentation in the European

defense sector, to close technology gaps, and build cross-border collaboration.

The EU has designated its [Hub for EU Defence Innovation](#) (HEDI) to test and evaluate cutting-edge dual use technologies.<sup>2</sup> In July 2022, the European Commission adopted a resolution to create an EUR 500 million “Short-Term EU Instrument for Common Defence Procurement” (2022-2024). It will act in concert with the EDF in development and acquisition of equipment,<sup>3</sup> serving as a

financial incentive to buy from within the EU, helping EU members avoid competition, reduce costs, and strengthen interoperability.<sup>4</sup>

The U.S. Department of Defense operates a wide variety of innovation programs. The most well-known is arguably the Defense Advanced Research Projects Agency (DARPA), based in Arlington, Virginia, USA, which makes “pivotal investments in breakthrough technologies for national security.” DARPA opportunities

can be searched [on the DARPA “Work with Us” webpage](#). Other innovation programs are run by the Defense Innovation Unit ([DIU](#)), USSOCOM ([Vulcan](#) and [SOFWERX](#)); the U.S. Air Force AFWERX program; Office of Naval Research (ONR) programs; and the [U.S. Army Corps of Engineers](#). U.S. Small Business Innovation and Research ([SBIR](#)) and Small Business Technology Transfer (STTR) programs offer government R&D funds that companies can use to develop a concept and conduct a feasibility study

for adaptation of a particular technology to government use. The Defense Innovation Unit allows foreign-owned businesses to either independently submit a solution or do so as part of a teaming arrangement with a U.S.-based company. However, the ability to obtain an agreement may depend upon the ability of the foreign-owned business to obtain necessary clearances.

<sup>2</sup> [www](#)   <sup>3</sup> [www](#)   <sup>4</sup> [www](#)



# NATO Procurement Rules

NATO [procurement rules](#) or bidding rules vary according to program and agency, and rules for each tender or opportunity will be specified under the RFI or RFP. Bidding opportunities generally follow International Competitive Bidding (ICB) principles and are open to companies from NATO member states—and sometimes NATO partner countries. Other types of non-ICB procurement found at NATO include Best Value (BV) procurement, National Competitive Bidding (NCB), limited competition, sole/single source, and Basic Ordering Agreements (BOA). National militaries procuring their own equipment do not generally follow NATO procedures and may have specific local content rules or single-source bidding procedures. For example, depending on the source country, a country Norway may require an “[industrial cooperation agreement](#)” for a major domestic acquisition, such as fighter aircraft, to ensure Norwegian suppliers will benefit from the project.



The NATO Communications and Information Agency uses a range of ICB, BOA, limited competition, and sole source procurement methods depending on the nature of the individual project. It has also taken a leading role in the development of the BV evaluation methodology which can be used by NATO for complex or high-risk projects.<sup>1</sup>

NATO Security Investment Programme (NSIP) funding is governed by NATO document AC/4-D/2261. Under this principle, the lowest cost and technically compliant bid wins, although implementation risk is also a key consideration. NSIP projects must follow ICB unless the Investment Committee decides another method. But in the case of a complex

system where there is high implementation risk, or where a customer seeks an innovative technical solution, NATO may use Best Value procurement, which is a sub-set of AC/4-D/2261. Here, the overall value and technical merit of the proposal, including the bidder’s overall capabilities and delivery schedule, have more weight. In some cases, a host

nation using NSIP funds might decide to bypass ICB and BV and instead request use of NCB, competition according to Host Nation Regulations (“national competitive bidding” - NCB), limited competition, or sole source procurement. These exceptions must be approved by the NATO Investment Committee in advance.

For many, but not all NSIP projects, the host nation must issue a Notification of Intent (NOI) to Invite bids at the earliest possible moment, and the host nation must submit the NOI to all NATO delegations, who make it available to their industry through their own channels. The NOI is not a request for quotation (RFQ), but can be the only way for a firm to register to receive the RFQ if the RFQ is not published otherwise.

<sup>1</sup>www

The NATO Command Structure normally follows International Competitive Bidding (ICB) and/or Simplified Procurement procedures, in accordance with the Bi-Strategic Command Procurement Directive 060-070 but the other NATO procurement regulations can also be used.

NCIA uses a range of International Competitive Bidding (ICB), Basic Ordering Agreements (BOAs), limited competition and sole source procurement methods depending on the nature of the individual project. It has also taken a leading role in the development of the “Best Value” (BV) evaluation methodology which can be used by NATO for complex or high-risk projects.<sup>2</sup>

NOIs and tender documents will normally be NATO UNCLASSIFIED. A NATO tender may, however, include requirements for security clearances at any level for personnel (Personnel Security Clearance (PSC) or for the facility (Facility Security Clearance (FSC), or both. The NOI or tendering documents will include such requirements. If this is the case, your host government might be able to help your company file the appropriate

paperwork to receive the necessary clearance to participate in the program.

A detailed “Lifecycle of an NSIP Project” can be found in Annex A of a [NATO procurement guide](#) created by the UK government. Please note that some information in the UK guide may be obsolete.

Most U.S. Department of Defense acquisitions are governed by the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS). However, there are also non-FAR acquisitions including Other Transactional Authorities (OTAs) which can be used for research, prototyping, and production. OTAs may be better for SMEs because the agreements tend to be simpler and less bureaucratic than FAR-compliant contracts. A useful overview of DoD contracting can be found on the website of the non-profit [MITRE organization](#). The U.S. government has a number of [set-asides](#) for small businesses, women-owned, veteran-owned, minority-owned, and disadvantaged businesses.

<sup>2</sup> [www](#)



## SPOTLIGHT



PHOTO: KONGSBERG

### A success story in sales to the U.S.

U.S. has recently procured the Norwegian-made Naval Strike Missile (NSM) by KONGSBERG and Raytheon for their Littoral Combat Ships, and the U.S. Army now sources widely used soldier-borne equipment such as the nano-UAS Black Hornet from Teledyne FLIR Norway. Looking ahead, Norwegian company Nammo is currently working directly with the U.S. DoD to make strides within critically enabling hypersonic rocket propulsion technologies.



# The U.S. Department of Defense

The U.S. military is the world’s largest customer with a budget of over USD 800 billion. It is a vast and complex market. It is also highly competitive with hundreds of established players. “Buy American” rules can limit bidding to U.S.-based, U.S.-owned entities in certain areas. The Biden administration has published a rule increasing Buy America requirements on U.S. systems from 55% to 75% by 2029.<sup>1</sup> But there are some flexibilities. European companies have found success in the U.S. defense market by partnering with prime contractors, by providing a unique item or product that is not produced anywhere else, by signing a [Special Security Agreement](#), or by being from one of the [28 countries](#) (which includes Finland, Sweden, Norway and Denmark) with whom the United States has a Reciprocal Defense Procurement Agreement. The latter allows in most cases for a signatory’s defense equipment and services to qualify for a Buy America Act waiver.<sup>2</sup> Some European companies may choose to set up a wholly-owned U.S. subsidiary

to qualify as a U.S.-based company in order to simplify bidding on DoD contracts, particularly on projects that require security clearances to participate.

The international diplomatic community through groups like the Defense MOU Attaches Group (DMAG) works to educate the U.S. Government in the benefits of international trade among allies, and the fact that countries with an RDP MOU are exempt from the Buy American Act. Smaller groups of countries have additional G2G agreements with the U.S. such as Declaration of Principles (DoP) and Security of Supply Arrangements (SoSA) which further accommodates industrial collaboration and reciprocal market access. Finally, the U.S. has defined an expanded defense-industrial base called the National Technology & Industrial Base (NTIB), currently comprising the U.S, Canada, the U.K., Australia and New Zealand, in an attempt to allow for even greater defense market alignment among its closest allies.



**Defense News explained:**

“Defense Department acquisition officials are always seeking the best technology and solution for their systems;

and sometimes that technology does not originate in the United States. In two recent competitions, for example, the Navy selected the Italian shipbuilder

Fincantieri Marine Group to build its next class of frigates, and the Air Force selected Saab as the prime for the T-X trainer. In both cases, these companies partnered with U.S. companies on their bids, and they are now building these systems in the United States... Programs are designed from the outset with foreign partners in mind to help lower costs of research and development as well as production. They’re also designed to ensure interoperability between the U.S. and its allies. The best-known example is the F-35. From its design, the F-35 was meant to be a multinational fighter not just because many nations would fly it but because many nations would be involved from its earliest days in investing in its capabilities and design. By doing so, the U.S. taxpayer did not have to shoulder as much of the financial burden, and the allies would bring the best of their own technologies to the table to build this common platform.”<sup>3</sup>

<sup>1</sup> [www](#)   <sup>2</sup> [www](#)   <sup>3</sup> [www](#)

To bid on DoD or other U.S. government opportunities, companies must register for a unique entity identifier on [www.sam.gov](http://www.sam.gov) and obtain a CAGE code (as with NATO procurement) and a Unique Entity ID. Note: this is a lengthy process that requires financial information, address, and checking several boxes. Companies should also identify their North American Industry Classification System (NAICS) [code](#) and Product or Service Code (PSC). RFIs, RFPs, and contract announcements are listed on [sam.gov/content/opportunities](http://sam.gov/content/opportunities) and can be browsed without a CAGE code. Sam.gov can also help identify subcontracting opportunities, as contact details for DoD prime contractors are also posted on the website.

Each branch of the U.S. military has a [Small Business Office](#) dedicated to helping SMEs navigate the individual procurement systems of each branch or office. When reaching out to these offices, you will want to be connected ideally with Program Managers, Program Executive Officers (PEOs), and Contracting Officers.

The Defense Logistics Agency (DLA) is the U.S. military's combat logistics support agency. It manages the global

supply chain for the U.S. Army, Navy, Air Force, Marine Corps, and Coast Guard. DLA's Internet Bid Board System ([DIBBS](#)) allows searches and quote submissions as well as Requests for Quotations, RFPs, and Invitations to Bid for DLA items of supply. DLA also publishes a guide for small business and runs Procurement Technical Assistance Centers (PTACs) which are located throughout the United States.

DoD offers the following 10 tips<sup>4</sup> for marketing to the Department, which can apply to the entire NATO market:

- 1) Follow the money.
- 2) Arm yourself with information and facts, not emotion.
- 3) Find your niche. Don't try to be everything to everybody.
- 4) Target your market and understand your prospective customer's mission, environment, challenges, and hot buttons.
- 5) Meet with Small Business Professionals.
- 6) Don't provide a standard, canned presentation to potential customers. Research their requirements and understand their challenges.

- 7) Explain how your service or product has a positive impact on a project's cost, schedule and performance.
- 8) Identify your differentiators—what separates you from other great performers?
- 9) Translate the relevancy of your past performance; don't expect a prospective customer to do it for you.
- 10) When you meet with customers, be prepared to discuss a real requirement, not your generic capabilities.

Finally, having a distributor who is already on the General Services Administration (GSA) Schedule can be a valuable asset. They can list your company's products (once you have a CAGE number) on the federal government's GSA website. They will have contacts with procurement officers in government, and they may have insight into budget and acquisition forecasts. Of course, you will pay a commission for their representation.

<sup>4</sup> [www](http://www)





# Final Word

Significant opportunities exist for SMEs that can provide a solution to a particular NATO problem set. Companies that find success in the NATO defense market will not only grow their enterprises but will also contribute to the collective security of Europe. But successful bidding on NATO contracts demands patience and resources. It also requires an informed strategy that prioritizes engagement across a vast and distributed market. Procurement offices are aware of these challenges and are exploring ways to accelerate and streamline their acquisition of equipment and services. New R&D innovation programs that are coming online can help bridge the gap as well as promote a vibrant innovation ecosystem for the benefit of both military customers and SMEs. Host nations or member states can be important champions for interested bidders within the NATO system, and when innovative SME leaders partner with governments, they can shape the direction the Alliance takes to meet its future security needs.



## SPOTLIGHT



### Where to find the talent?

The Business Roundtable has determined that staying competitive requires finding the most-qualified candidates from across the globe. Talent follows opportunities and Fairfax County has a good thing going.

#### Facts to consider:

- 2.6 million highly educated and diverse workforce
- 60+ regional colleges and universities
- #1 public high school in the United States
- #3 tech talent market in the United States

# Advice and Information

## Miltton

**Mr. LtGen (ret) Arto Rätty**  
Senior Advisor  
Miltton, Helsinki  
arto.raty@miltton.com

**Mr. Fredrik Andersson**  
Senior Advisor  
Miltton, Stockholm  
fredrik.andersson@miltton.com  
+46 70 677 69 59

**Ms. Kristiina Helenius**  
C.E.O.  
Miltton USA, Washington, D.C.  
kristiina.helenius@miltton.com  
+358 45 122 6051  
+1 202 365 9174

## Our Services:

Sector- and company-specific market and demand mapping



Early access to information and contacts



Market entry support, including legal requirements and permitting



Building a demand-driven offering



Influencing and brand building



Stakeholder management

## Business Finland

**Mr. Juhani Sirén**  
Director,  
Head of Region North America  
Business Finland  
juhani.siren@businessfinland.fi  
+1 332 265 8044

## Business Sweden

**Mr. Niklas Grybe**  
Program Manager  
Business Sweden, Stockholm  
niklas.grybe@business-sweden.se  
+46 730 92 68 37

## Innovation Norway

**Mr. Einar Gustafson**  
Special Advisor  
Innovation Norway, Washington, D.C.  
einar.irgens.gustafson@innovasjon norge.no  
+1 202 333 6000

**Mr. Manuel Kliese**  
Defence Industry Coordinator,  
Special Advisor  
Innovation Norway, Oslo  
manuel.kliese@innovationnorway.no  
+49 170 161 3060

## U.S. Entry & Talent

**Ms. Jatinder Kaur Khosla**  
Director of International Business  
Investment  
Fairfax County Economic Development  
Authority (FCEDA)  
jkhosla@fceda.org  
+1 703 790 0600

## Global Legal Advisory

**Amb. Charles Adams**  
Partner  
Orrick, Geneva  
cadams@orrick.com  
+41 22 787 4020

Special thanks to **Robert W. Gerber** for his research and drafting of the content of this Guide.

# Annex 1

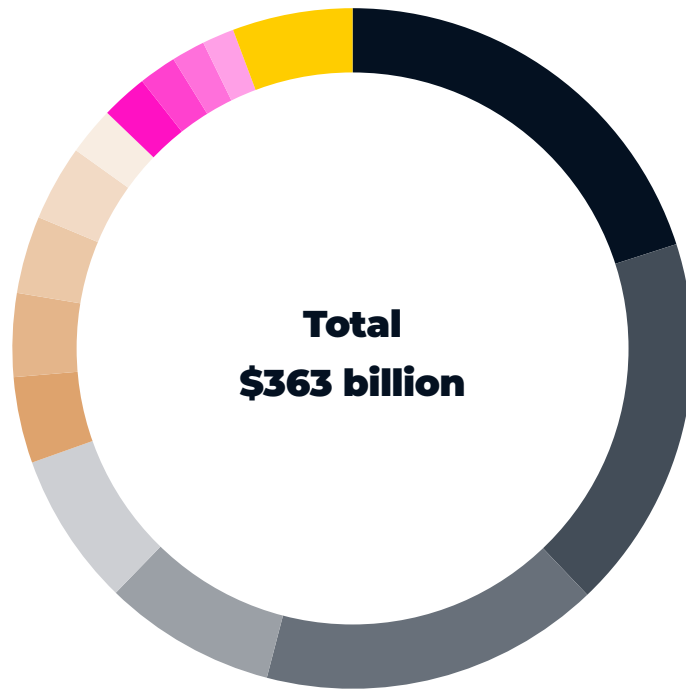
## Member State Military Expenditures 2021

### NATO Europe + Canada

(USD millions)

■ United Kingdom.....	<b>72,765</b>
■ Germany.....	<b>64,785</b>
■ France.....	<b>58,729</b>
■ Italy.....	<b>29,763</b>
■ Canada.....	<b>26,523</b>
■ Spain.....	<b>14,875</b>
■ Netherlands.....	<b>14,378</b>
■ Poland.....	<b>13,369</b>
■ Turkey.....	<b>13,057</b>
■ Norway.....	<b>8,292</b>
■ Greece.....	<b>8,014</b>
■ Belgium.....	<b>6,503</b>
■ Romania.....	<b>5,785</b>
■ Denmark.....	<b>5,522</b>
■ Others.....	<b>20,741</b>

Source: NATO

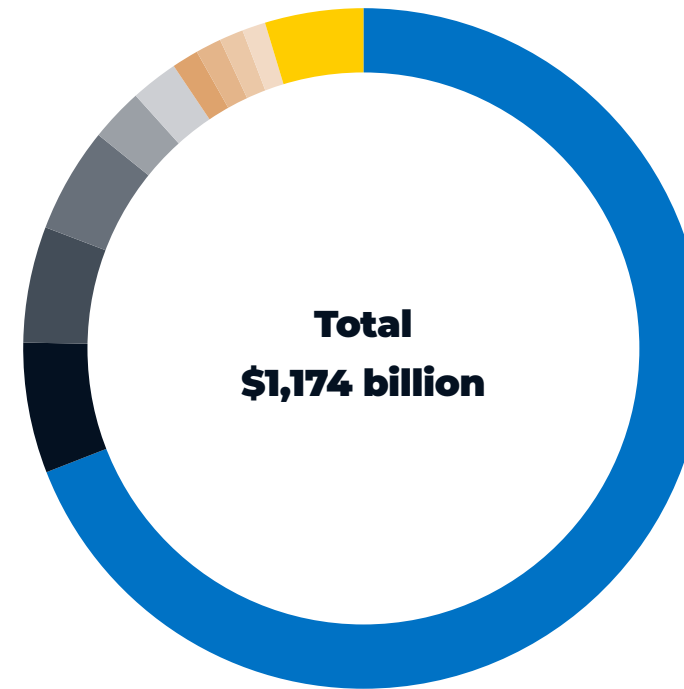


### All NATO Member States

(USD millions)

■ United States.....	<b>811,140</b>
■ United Kingdom.....	<b>72,765</b>
■ Germany.....	<b>64,785</b>
■ France.....	<b>58,729</b>
■ Italy.....	<b>29,763</b>
■ Canada.....	<b>26,523</b>
■ Spain.....	<b>14,875</b>
■ Netherlands.....	<b>14,378</b>
■ Poland.....	<b>13,369</b>
■ Turkey.....	<b>13,057</b>
■ Others.....	<b>54,858</b>

Source: NATO





# Annex 2

## Select List of Defense Industry Associations

[Europe](#)

[Greece](#)

[Romania](#)

[Belgium](#)

[Hungary](#)

[Slovenia](#)

[Bulgaria](#)

[Italy](#)

[Slovak Republic](#)

[Canada](#)

[Latvia](#)

[Spain](#)

[Croatia](#)

[Lithuania](#)

[Sweden](#)

[Czech Republic](#)

[Luxembourg](#)

[UK](#)

[Cyprus](#)

[Netherlands](#)

[Denmark](#)

[Norway](#)

[Estonia](#)

[Norwegian-American Defense & Homeland Security Council](#)

[Finland](#)

[Poland](#)

[France](#)

[Portugal](#)

[Germany](#)

