

Defence Expenditure (NATO Target) Bill

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Make provision about the meeting by the United Kingdom of the target for defence expenditure to constitute a minimum of 2% of Gross Domestic Product; to make provision that the definition of defence expenditure is subject to independent verification and for connected purposes.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Duty of compliance with NATO guideline

It shall be the duty of the Secretary of State to ensure that the amount of defence expenditure as a percentage of the gross domestic product of the United Kingdom does not fall below the NATO guideline of 2% in any year.

2 Annual report

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It shall be the duty of the Secretary of State to lay before each House of Parliament each year a report about UK defence expenditure pursuant to the provisions of this Act (an “annual report”).

3 Duty to produce annual report

Each annual report must include the following information for the most recent relevant period— 10

- (a) the amount of defence expenditure by the United Kingdom,
- (b) the amount of defence expenditure by the United Kingdom devoted to major equipment spending, and
- (c) the amount mentioned in paragraph (a) as a percentage of the gross domestic product of the United Kingdom. 15

4 Categorisation of reports

The amount of expenditure referred to in section 3(a) shall be categorised into—

- (a) personnel expenses and pensions,
- (b) research, development and procurement of defence equipment, and
- (c) operations, exercises and maintenance.

5 Provision for audit

The calculation, definition and categorisation of expenditure referred to in Sections 3 and 4 shall be subject to audit by the National Audit Office. 5

6 Definition of relevant period

In this Act “relevant period” means—

- (a) a period of twelve months ending with 31 December in the case of information which is normally produced by reference to calendar years, or 10
- (b) in any other case a period of twelve months ending with 31 March.

7 Provision for laying of report before Parliament

- (1) An annual report shall, subject to Section 5, be laid before each House of Parliament as soon as practicable after 31 March each year. 15
- (2) Nothing in this Act shall be read as preventing an annual report being combined with any other report which the Secretary of State lays before either House of Parliament.

8 Provision to require statement to Parliament

If the amount of defence expenditure as a percentage of the gross domestic product of the United Kingdom reported in a relevant period under Section 3 is less than 2% it shall be the duty of the Secretary of State to lay before Parliament a statement explaining the reasons for the failure of the United Kingdom to meet the NATO 2% defence expenditure guideline. 20

9 Contents of statement to Parliament

- (1) A statement under Section 8 shall also describe any steps which the Secretary of State has taken or intends to take to ensure that the 2% guideline will be met by the United Kingdom in the next and subsequent relevant periods. 25
- (2) The Secretary of State is accountable in relation to the duties set out in this Act only through Parliament. 30

10 Short title

This Act may be cited as the Defence Expenditure (NATO Target) Act 2014.

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To make provision about the meeting by the United Kingdom of the target for defence expenditure to constitute a minimum of 2% of Gross Domestic Product; to make provision that the definition of defence expenditure is subject to independent verification and for connected purposes.

*Presented by Mr Christopher Chope,
supported by
Sir Gerald Howarth, Sir Edward Leigh,
Mr Bernard Jenkin, Mr James Gray,
Sir Peter Luff and Mr Peter Bone.*

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