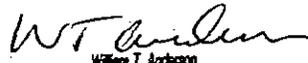


MEMORANDUM OF UNDERSTANDING

between

CERTIFIED A TRUE COPY:

**The Minister of Defence
of the Kingdom of Belgium**



William T. Anderson
Asst. Legal Advisor

LEGAL ADVISER SHAPE

DATE: 02 JAN 2002

**The Minister of Defence
of the Kingdom of Denmark**

**The Federal Minister of Defence
of the Federal Republic of Germany**

**The Minister of Defence
of the Republic of Italy**

**The Minister of Defence
of the Kingdom of the Netherlands**

The Minister of Defence of the Kingdom of Spain

**The Secretary of State for Defence
of the United Kingdom of Great Britain and
Northern Ireland,**

**The Secretary of Defense
of the United States of America**

and

The Supreme Headquarters Allied Powers, Europe

concerning

**The Establishment and Support of the
Allied Command Europe
Tactical Leadership Programme
at Florennes Air Base Belgium**

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Annexes

- A: TLP organization / manning.
- B: TLP Florennes National Support Personnel "Hors Budget".
- C: US Contribution in buildings and facilities.
- D: Constructions and modifications of/to buildings and facilities.
- E: Support equipment.
- F: Formats for TLP budget estimates and accounts.
- G: Administrative data.
- H: Annual Participation and Residual Value

Appendix 1:

Share of the Residual Value of the Buildings and Installations constructed with the Initial Investment Budget

Appendix 2:

Annual Participation in the TLP and the share of the Residual Value of those items not covered by Appendix 1

LIST OF ABBREVIATIONS

A3	Operations (Air)
A/A	Air-to-Air
A/C	Aircraft
A/D	Air Defence
A/G	Air-to-Ground
AAA	Anti-Aircraft Artillery
AIRNORTH	Allied Air Forces North
AB	Air Base
ACE	Allied Command Europe
ACOS	Assistant Chief of Staff
ADMN	Administration
AFNORTH	Allied Forces Northern Europe
AGL	Above Ground Level
ALF	Administration, Legal and Finance
AMN	Airman
ASO	Academic Staff Officer
BAF	Belgian Air Force
BE	Belgium
BEF	Belgian francs
C3	Command, Control and Communications
CA	Canada
CAOC	Combined Air Operations Centre
C&D	Concepts and Doctrine
COS	Chief of Staff
CR	Combat Ready
DACT	Dissimilar Air Combat Training
DK	Denmark
DO	Defensive Operations
EW	Electronic Warfare
FLT LDR	Flight Leader
FR	France
ft	Feet
FY	Fiscal Year
GE	Germany
GLO	Ground Liaison Officer
HQ	Headquarters
IN	Intelligence
IT	Italy
JASC	Joint Air Support Centre
MoD	Ministry of Defence
MoU	Memorandum of Understanding
MX	Maintenance
N	North
NATO	North Atlantic Treaty Organisation
NCO	Non-Commissioned Officer

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NL	Netherlands
O&M	Operation and Maintenance
OF	Officer
OO	Offensive Operations
OPEVAL	Operational Evaluation
OPS	Operations
OR	Other Ranks
PART	Participation
PE	Peacetime Establishment
POL	Petroleum, Oil and Lubricants
PTT	Post, Telephone, Telegraph
RC	Reconnaissance
RN	Radar Navigator
ROC	Remote Operations Centre
ROC	Regional Operations Centre
S	South
SACEUR	Supreme Allied Commander, Europe
SAM	Surface-to-Air Missile
SEM LDR	Seminar Leader
SHAPE	Supreme Headquarters Allied Powers, Europe
SHORAD	Short Range Air Defence
SOFA	Status of Forces Agreement
SP	Spain
STANAG	Standardisation Agreement
SUP	Supervisor
TBD	To be determined
TLP	Tactical Leadership Programme
UK	United Kingdom
US or USA	United States of America
USAFE	United States Air Forces, Europe
VOL	Volunteer
W TAC	Tactical Wing
YR	Year

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CONSIDERING that, in furtherance of the North Atlantic Treaty, the Minister of Defence of the Kingdom of Belgium, the Minister of Defence of the Kingdom of Denmark, the Minister of Defence of the Federal Republic of Germany, the Minister of Defence of the Republic of Italy, the Minister of Defence of the Kingdom of the Netherlands, the Minister of Defence of the Kingdom of Spain, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, the Secretary of Defence of the United States of America, and the Supreme Headquarters Allied Powers, Europe (SHAPE), (hereinafter referred to as the Parties) desire to unite their efforts for collective defence in even closer cooperation; and

CONSIDERING that SHAPE and the Kingdom of Belgium entered into an Agreement on the Special Conditions Applicable to the Establishment and Operation of this Headquarters on the Territory of the Kingdom of Belgium of 13 May 1967 (SHAPE-Belgium Agreement); and

CONSIDERING that the Parties desire to continue the Tactical Leadership Program (TLP), formerly referred to as the Allied Air Forces North TLP, established in Belgium under the terms of the 1990 Memorandum of Understanding as an element of SHAPE; and

RECOGNIZING the need to standardize training of their air forces in the field of tactical leadership and to develop jointly tactical air doctrine, all being in furtherance of the Supreme Allied Commander, Europe's (SACEUR) mission to provide the defence of NATO Europe;

have reached the following understanding :

ARTICLE 1 - OBJECTIVES

1. The objective of the ACE TLP is to increase the effectiveness of allied tactical air forces through the development of leadership skills, tactical flying capabilities, mission planning and tasking capabilities, and conceptual and doctrinal initiatives.
2. The objective of this MOU is to delineate the arrangements under which the Nations will collaborate to establish, man, operate and finance the programme.

ARTICLE 2- HOST NATION AND HOST BASE

The Kingdom of Belgium will host the ACE TLP at Florennes Air Base, hereinafter referred to as the Host Nation and Host Base, respectively, as an element supporting SHAPE under the provisions of the SHAPE-Belgium Agreement.

ARTICLE 3 - RESPONSIBILITY AND CONTROL

1. The policy and doctrinal guidance for the ACE TLP will be provided by SHAPE through Regional Headquarters, Allied Forces North, and Headquarters, Allied Air Forces, North (AIRNORTH), in cooperation with the Nations and the TLP Staff.
2. SHAPE will delegate routine supervision of the ACE TLP, through the ACE chain of command, to Commander, Allied Air Forces, North (COMAIRNORTH).

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3. The ACE TLP Commandant will be responsible to SACEUR through the ACE chain of command. The ACE TLP Commandant has direct access to the Assistant Chief of Staff A3 (ACOS A3) HQ AIRNORTH for all matters with the obligation to inform SHAPE, Operations Division, of those matters of a non-routine nature.

4. The ACE TLP Commandant will establish ACE TLP standard operating procedures (SOPs). He will be assisted by his staff and the commanders of national detachments participating in the programme. Administrative procedures will be in accordance with NATO regulations.

5. Each Nation will appoint a commander who will be the superior of the personnel of that nation's permanent element at TLP. He is to be responsible for the discipline of members of his national element and is to issue personnel under his command with standing orders requiring them to obey any programme-related direction of the ACE TLP Commandant. He is also responsible for ensuring that course participants and their support personnel are fully briefed on local regulations and procedures and is to take appropriate action to curb acts of indiscipline or inappropriate behaviour, in accordance with national rules and regulations.

6. The ACE TLP Commandant will be responsible for flying operations of the participating detachments as of their arrival at the ACE TLP Host Base for the duration of the course. Detachments should be exempt from recall for alert exercises or operational evaluations (OPEVALS). Under such circumstances these detachments will be considered as part of their unit's strength but only for reporting purposes.

7. Responsibility for control of flying operations within the confines of the Host Base air traffic control zones lies with the Host Nation and will be under the authority of the Host Base Commander. The Host Base Commander is responsible for satisfying flying requirements of all customers operating out of FLORENNES AB within the scope of local regulations. In order to facilitate this and guarantee smooth and coordinated flying operations, ACE TLP flight plans and schedules are to be provided in advance.

8. Flying minima, weather alternates, minimum en-route altitudes, maximum air speeds and associated operational flying restrictions and guidelines will be specified in the ACE TLP Flying Regulations. ACE TLP Flying Regulations will be in accordance with the AFNORTH Low Flying Handbook, national aeronautical planning documents, other national regulations, as appropriate, and unique ACE TLP requirements as approved by the nations concerned. National Air Staffs may change approved regulations for their aircrews or their airspace by message to HQ AIRNORTH and to the other Nation's Air Staffs.

ARTICLE 4 - PROGRAMME

1. The ACE TLP consists of:

- a. The TLP Flying Branch.
- b. The TLP Academic Branch.
- c. The TLP Concepts and Doctrine Branch.

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2. The annual participation in ACE TLP is in accordance with the percentage shares at Annex H, Appendix 2.

3. FLYING BRANCH. The TLP Flying Branch will conduct courses designed to improve the tactical leadership skills and flying capability of squadron level section leaders. Additionally, these courses will improve the tactical interoperability of air forces through exposure to other air forces tactics and capability and by providing a flying laboratory for current tactical employment concepts.

a. Six (6) ACE TLP flying courses will be planned per annum (each of 19 working days). They will be conducted in English and comprise 50 seminar hours, 45 hours of flight briefing and debriefing, and up to 15 tactical missions. Courses will normally be made up of 24 aircraft and crews, and the aim is for each crew to complete the 15 missions in the ACE TLP syllabus. While 10 missions is considered to be the minimum necessary to achieve the course objectives, where weather/aircraft unserviceability preclude this, it will be for the ACE TLP Commandant to determine if the course has been successful.

b. In principle, the annual programme should not exceed 2100 ACE TLP syllabus sorties flown from the Host Base. Should the need arise to fly more than 2100 ACE TLP syllabus sorties, additional sorties may be granted by the Host Nation. Requests for additional sorties should be forwarded to the Host Nation by the ACE TLP Commandant via ACOS A3 AIRNORTH. The number of sorties flown will be closely monitored throughout the year by ACE TLP and the Host Nation.

c. The annual ACE TLP flying schedule will be established by ACE TLP, in co-ordination with ACOS A3 AIRNORTH and the Nations, by the last day of September of the preceding year. When vacancies exist, HQ AIRNORTH may invite other NATO nations to participate as guests. Guest nations are required to obtain Host Nation permission through MOD Brussels.

d. Slots allocated by ACE TLP will specify aircraft roles to guarantee the desired ratio on each course, and to ensure the appropriate share for each nation on an annual basis. The ideal course constitution will comprise 24 aircraft and crews, including 16 or 18 in the A/G role and 6 or 8 in the A/D role. The A/G package should normally include 2 x RC and 2 x SEAD aircraft.

e. Annual assignments of slots in Annex H will not exceed 140 mounted from the Host Base, including guest slots.

f. The minimum number of aircraft by type from one Nation in a specified role for each course attended will be 2.

4. ACADEMIC BRANCH. The academic programme will consist of a selection of academic courses each aimed at a specific subject area, to include: equipment, combat tactics and training, command and control systems, and additional subjects as determined by the Nations. These courses will provide the participants with increased job skills and foster a common understanding of all facets of tactical air operations.

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a. The academic courses would centre around: threat doctrine and tactics, weapons and weapons effects, aircraft performance, performance comparisons, SAM/AAA capabilities, CAOC/ROC/ROC/JASC battle staff management, mission planning and appropriate areas of concern in offensive/defensive operations. Course topics, curriculum, student requirements and frequency of instruction would be driven by the needs of the Nations.

b. Up to twenty-four weeks of academic courses may be conducted annually. Course length may be adjusted according to subject area.

c. Specific student quotas will be determined by the Nations' participation as detailed in Annex H. The course size will vary, but the average attendance will be 20-25 personnel.

d. Canada will continue to have access to cost-free academic training slots.

5. **CONCEPTS AND DOCTRINE BRANCH.** The Concepts and Doctrine Branch goal is to examine different national tactical employment concepts and to suggest areas where greater cohesion may be obtained. The staff should interact closely with their respective national Concepts and Doctrine organisations to develop concepts and doctrine for the integrated operations, employment, and deployment of the conventional combat forces and weapon systems. In addition, they will examine, review, assess, and make recommendations on force requirements, force development, operational doctrine, operational concepts, employment concepts, capabilities, and command and control to support allied mission objectives and employment goals.

a. The product of this multinational organisation will, when applicable, be incorporated into the Academic and Flying programmes and provides the basis and impetus for AIRNORTH Manual Number 80-6 Tactical Employment (AIRM 80-6).

b. The Concepts and Doctrine Branch may conduct symposia as needed.

ARTICLE 5 - FLYING OPERATIONS

1. Missions will be planned and executed in accordance with the direction and guidance laid down in the ACE TLP Flying Syllabus and the ACE TLP Standard Operating procedures (SOPs). The burden of low flying should be shared between the Nations and will be monitored by the Commandant ACE TLP. The Nations will provide access to suitable and realistic target arrays for simulated attacks and will provide Commandant ACE TLP with suitable target imagery for mission planning.

2. The Nations will provide the Commandant ACE TLP with the details of their participating aircrews and their national detachment commander at least 45 days prior to the start of each flying course. The participating aircrew must be current on type for the duration of the course and qualified to perform all ACE TLP missions in accordance with the current syllabus; they must be able to contribute by their knowledge and experience to the successful conduct of the course. All participating aircrew must be authorized by their national

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commanders to act as mission commander of large multi-type COMAO packages under ACE TLP staff supervision. As a minimum, they must be Combat Ready, Pairs Lead, qualified to fly syllabus missions at 500 ft MSD/AGL. They should have a minimum of 500 hrs on type/in role and should be AAR qualified and current. Participants in the A/D role should be DACT qualified.

3. The flying courses will be conducted entirely in English and all participants should be sufficiently fluent in the English language. As a minimum, all participants must be qualified in accordance with the guidance laid down in STANAG 6001.

4. In addition to the main course participants, the Nations will provide external A/D support assets in response to requests from the Commandant ACE TLP. These external A/D assets will operate from Florennes (or deployment base) for the last 2 weeks of the course and will provide the A/A threat for the main course participants. External A/D aircrews should be sufficiently experienced to perform this role and should, ideally, be ACE TLP graduates.

5. The Nations will coordinate with the appropriate national headquarters and operational units, in response to requests from the Commandant ACE TLP, to provide mission support in order to achieve realistic missions and threat scenarios. This support may include, but is not restricted to: A/D missile units, SHORAD units, GCI support, TACP teams, naval units and use of EW ranges.

6. The Nations will, within their capabilities, provide additional special air resources, including: support helicopters, CSAR helicopters and other assets, SEAD/EW jamming aircraft, AWACS, MPA, AAR and transports (for slow-mover protection scenarios). NAEWFC SHAPE will co-ordinate AWACS participation. HQ AIRNORTH will co-ordinate AAR support.

7. When possible, ACE TLP Staff Flight Seminar Leaders will fly within the ACE TLP package to monitor and supervise the mission. To this end, the Nations should provide at least one and preferably two 2-seat variants of single seat tactical aircraft on each flying course. The nation(s) providing these aircraft will be determined by mutual agreement during the annual scheduling conference.

8. Mission scenarios and Rules of Engagement (ROE) are to be as realistic as possible and should reflect a wide range of scenarios requiring the employment of air power. However, flight safety is paramount at all times and peacetime restrictions and regulations are to be strictly adhered to. Local Training Rules are to be developed by the Commandant ACE TLP, approved by HQ AIRNORTH (ACOS A3), and briefed to all participants prior to each mission.

9. One flying course per year will normally be hosted by another NATO nation. In these circumstances, the general principles of this MOU should continue to apply. The specific arrangements will be covered by a separate agreement between the hosting NATO nation and COMAIRNORTH.

ARTICLE 6 - PERSONNEL

1. To implement the ACE TLP the Nations will assign suitably qualified personnel to the ACE TLP Staff and, in case of withdrawal, provide for a replacement without offsets. The members of this staff, formed from personnel of the Nations, will be subordinate to the ACE TLP Commandant. Staff appointed to Flying Branch Flight Seminar Leader positions should be qualified as Tactics Instructors/Weapons Instructors/ACE TLP Graduates. Ideally, each Nation should be represented in each branch.
2. The ideal ACE TLP Staff manning is depicted at Annex A. If this manning needs to be altered due to a change in requirements, such a change will be proposed by the ACE TLP Commandant, to be approved by the Nations. It is essential that members of the TLP Flying Branch staff, filling seminar flight leader positions retain flying currency in tactical aircraft. Each Nation will provide sufficient flying to enable its national staff members to maintain this currency. Other staff members flying currency is at the discretion of the individual Nation.
3. Officers appointed to the ACE TLP staff should have broad expertise. Manning of the staff will give a proportional representation from all signatory nations, in approximately the same percentage as the annual participation in ACE TLP. The tour length will be from two to three years.
4. The Nations will advise HQ AIRNORTH ACOS A3 of the war appointment of the ACE TLP Commandant and staff members and when these would be implemented.
5. The ACE TLP Commandant will be an officer of the Host Nation. He will be responsible for the general organization and conduct of the ACE TLP as well as for all associated operational and administrative work.
6. The Chief of Flying will be the deputy commander. He will be responsible for flying operations and all associated flying seminar briefings and debriefings as well as for mission accomplishment and analysis.
7. The Chief of Academics will be responsible for academics training and the development of curricula and courses covering all facets of NATO conventional employment.
8. The Chief of Concepts and Doctrine will be responsible for the development of concepts and doctrine for the integrated operation, employment and deployment of the MOU nations' conventional combat forces and weapons systems.
9. The Nations will provide sufficient support personnel, adequately equipped to meet all the ACE TLP flying operations. Details of these personnel (name, rank and service number) are to be forwarded to ACE TLP not later than 4 weeks prior to their arrival.

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10. Additional base support personnel required to support the ACE TLP will be provided by the Host Nation as specified in Annex B. Costs for the additional base support personnel will be shared through the O&M Costs.

11. All non-Belgian ACE TLP military personnel and their dependants are entitled to the full range of support from SHAPE as members of SHAPE pursuant to the SHAPE-Belgium Agreement. Such support includes, but is not limited to, registration of dependants and privately-owned vehicles, access to SHAPE International School and SHAPE housing, access to morale and welfare activities, and the tax-free purchasing entitlements.

ARTICLE 7 - FACILITIES AND EQUIPMENT

1. The United States of America retains ownership of the buildings and facilities listed in Annex C under the terms of the license granted to Belgium for use of the ACE TLP.

2. The United States of America retains no financial liabilities for facilities listed in Annex C, other than its share of the annual ACE TLP O&M costs.

3. The original TLP Nations agreed to the construction and modification of the buildings and facilities listed in Annex D, up to a maximum cost of 180,000,000 Belgian francs.

4. The original TLP Nations agreed to the initial purchase of furniture and equipment, excluding that listed in Annex E, up to a maximum of 850,000 US dollars.

5. All additional construction of new buildings and facilities and all modifications, additions or extensions to existing buildings and facilities will be in accordance with Article 8 para 2.d.. All purchases of additional equipment or replacements will be in accordance with Article 8 paras 2.c.(2) and 3.b.

6. The Nations shall provide their course participants with the required aircraft. The aircraft will be available at FLORENNES AB at the beginning of each flying phase.

7. Any special maintenance/engineering requirements are to be forwarded to the ACE TLP Commandant 60 days prior to the course commencement date.

8. Any unserviceable aircraft with an estimate for repair greater than 48 hours will be replaced immediately. Aircraft are not to be withdrawn from the ACE TLP to participate in NATO or national exercises.

ARTICLE 8 - FINANCE

1. **FISCAL YEAR.** The programme fiscal year will be from 1 January to 31 December. The Host Nation will conduct the annual Administration, Legal and Finance (ALF) meeting attended by all Nations and HQ AIRNORTH.

2. **CAPITAL EXPENDITURES.** A capital expenditure, for the purpose of this programme, is defined by the Nations as a jointly approved expenditure for constructions and

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purchases of and modifications, additions or extensions to the buildings, facilities and equipment.

a. Buildings and Facilities

(1) The United States of America has, in order to establish the ACE TLP at Florennes Air Base, contributed its share of the initial capital expenditures by making available without compensation the buildings and facilities as referred to in Article 7, paragraph 1, and Annex C.

(2) With regard to the United States contribution mentioned in para (1), the initial capital expenditures relating to the buildings and facilities specified in Annex D were borne by the remaining Nations as follows:

Belgium :	14.6%
Canada :	8.3 %
Germany :	31.25%
The Netherlands :	14.6%
United Kingdom :	31.25%

(3) In the event that the US facilities specified in Annex C become unavailable for ACE TLP use, The United States of America will contribute its fair share of the initial infrastructure acquisitions.

(4) All additional capital expenditures relating to buildings and facilities will be shared by the Nations in accordance with the percentages set forth in Annex H, Appendix 2.

(5) At the date of their accession, the Kingdom of Denmark and the Republic of Italy paid the same share of the residual value of the capital expenditures as their share of the Operation and Maintenance cost, as depicted in Annex H, Appendix 2.

(6) Upon entry into force of this MOU, the Kingdom of Spain will pay the same share of the residual value of the capital expenditures as their share of the Operation and Maintenance cost, as depicted in Annex H, Appendix 2.

b. Work Services. Improvements and restoration to existing facilities and infrastructure will be defined as work services. Single work services projects exceeding 650.000 Belgian francs will be treated as capital investment and included in the budget under item 1200, Annex F. These work services will have a lifetime computed in accordance with the categories specified in Article 9 para 1 and will be

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depreciated over that period. Any work services related expenses will be shared in accordance with the percentages set forth in Annex H, Appendix 2.

c. Equipment.

(1) The initial expenses relating to the furniture and equipment, excluding that listed in Annex E, were considered as capital expenditures and were shared in accordance with the percentages, as follows:

BE:	11.11%
CA:	6.35%
GE:	23.81%
NL:	11.11%
UK:	23.81%
US:	23.81%

(2) All other expenditures relating to the purchase of additional equipment or replacements will be included in the capital expenditures budget under Section 1300 of Annex F; if the expected total costs per purchase are higher than 400,000 Belgian francs, they will be shared in accordance with the percentages as mentioned in Annex H, Appendix 2.

(3) All scrapped equipment will be disposed of by ACE TLP. The proceeds gained are ACE TLP revenue.

d. Project Paper. Upon request of the ACE TLP Commandant, the Host Nation will present a project paper in support of a proposed capital expenditure to be included in the yearly budget. This paper should describe and justify the project and indicate costs and calendar year(s) in which the expenditures will occur. The authorisation for the implementation of the project will be given through the approval of the budget.

3. OPERATIONS AND MAINTENANCE(O&M) COSTS. The O&M Costs are defined as those costs directly relating to operating and maintaining the programme. These costs cover base support personnel, equipment, and communications and general services.

a. The expenses relating to the support associated with the equipment listed in Annex E are considered as O&M costs and are shared in accordance with the percentages as set forth in Annex H, Appendix 2.

b. The expenses relating to the purchase of additional equipment or replacements with an expected total cost equal to or less than 400,000 Belgian francs, as well as work services projects with an expected cost per individual project of equal to or less than 650,000 Belgian francs, will be considered as O&M costs.

c. The Nations will share the annual O&M costs in accordance with the percentages set forth in Annex H, Appendix 2. Guest slots are not to be taken into account. Charges are due regardless of whether the allocated slots are fully utilised, or not, unless such unfilled places are paid for by another nation.

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d. Non-signatory nations will be charged for their number of slots, scheduled or utilised whichever is the greater, against the same slot price as for the Nations, increased by a surcharge of 10 percent. This will be the final price with no later adjustments. Payments will be credited to the Signatory Nations, in accordance with the percentages set forth in Annex H, Appendix 2, for the same year in accordance with Article 8, paragraph 7.

e. In recognition of special support provided by a non-signatory nation, the cost of participating by that nation may be adjusted when agreed by the signatory nations at the annual ALF meeting.

4. OTHER COSTS.

a. All contracts will be handled by the appropriate services of the Host Nation. They will be concluded under Belgian law and regulations. The Host Nation will levy an administrative fee of:

(1) 3%

- for the administration of contractual personnel;

- for all purchase related contracts;

- for all infrastructure related contracts that use the aid of a study centre.

(2) 5%

- for all infrastructure related contracts that do not use the aid of a study centre.

b. The costs of personnel assigned or attached to the ACE TLP will be nationally funded.

c. POL and available aircraft spare parts will be made available by the Host Nation to participating national detachments as per STANAG 3113.

d. All personnel using the ACE TLP dining hall facility will pay for messing utilised.

e. Personnel from the Participating Nations assigned or attached to the ACE TLP flying and academic courses will not be charged billeting fees for ACE TLP related accommodation. Guest participants and visitors will pay an appropriate nightly fee that will be credited to the ACE TLP account, reducing the overall O&M costs. The nightly fee will be established during the annual ALF meeting.

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f. When TLP personnel travel upon the request of outside agencies, travel costs will be paid by the requesting agency. All per diem costs (e.g., meals, accommodation) will be nationally funded.

5. **BUDGETING.** The Host Nation will establish every year by 01 July a justified budget of the estimated ACE TLP costs for the next year and in addition the provisional estimated ACE TLP costs for the second following year. This will be done in the format specified in Annex F. The budget will be screened and approved by the Nations during the annual ALF meeting prior to 01 October for the following budget year. After approval the Host Nation will issue a final budget. When the Host Nation foresees during the running fiscal year that the total expenditure is likely to exceed the authorised budget figure, it shall submit a supplementary budget to the Nations for authorisation. Before doing so, the Host Nation will seek to compensate for this increase by adequate savings. The Host Nation shall give the reasons for the increases in the budget items.

6. **INVOICING AND PAYMENT.** The invoices will be based on the approved budget and will reflect cash disbursements for the quarter concerned. They will be drawn up by the host nation and transmitted to the Nations at the invoicing addresses listed in Annex G, three months prior to the beginning of the quarter. Invoices are to be paid by the Nations quarterly in the currency mentioned on the invoice, prior to the first day of the concerned quarter.

7. **FINAL ACCOUNT.** A calculation of actual costs will be prepared by the Host Nation as soon as possible following the end of the Host Nation's fiscal year but not later than 30 June. Each Nation will then be advised of the payment due or credit given. Imbalances will be reconciled on the next quarterly invoice.

8. **ACCOUNTING AND REPORTING.** The Host Nation is responsible for the accounting of all costs due to the programme. All financial data will be prepared and kept by the Host Nation. The Host Nation will, upon request, provide the Nations with further clarification of the financial data included in the budget estimates and final accounts

9. **AUDITING.** Auditing functions will be exercised by the Host Nation. The results of these audits will be provided, upon request, to the Nations.

10. All financial obligations assumed by the Nations executing this MOU are conditioned upon the authorisation and appropriation of funds in accordance with applicable national laws. In the event of a shortfall, the Nation so affected will notify the Host Nation in a timely manner so as to facilitate the implementation of other arrangements.

ARTICLE 9 - DEPRECIATION AND RESIDUAL VALUES

1. **IN THE CASE OF WITHDRAWAL OR ACCESSION.** In the case of withdrawal or accession, all capital expenditure items will be depreciated by applying the formula:

$$\text{residual value} = \frac{\text{original value} \times \text{life remaining}}{\text{planned life}}$$

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using the following planned lifetimes, unless otherwise agreed in the budget process concerned:

- 25 years: buildings and other structures (pre-fabricated or engineering works)
- 10 years: fencing, roads, paved areas, transportable facilities
- 7 years: vehicles
- 5 years: equipment

2. IN THE CASE OF TERMINATION

a. US-Funded Buildings And Facilities. Any residual value obligations concerning the buildings and facilities listed in Annex C are the subject of a separate technical arrangement between the United States Department of Defense and the Belgium Armed Forces General Staff dated 29 February 1984. The other ACE TLP Nations are not parties to the above-mentioned technical arrangement and consequently are not involved with the negotiations of the residual value of those Annex C buildings and facilities when and in the event this MOU is terminated.

b. Multinationally-Funded Capital Expenditure Items. In the case of termination, the residual value of items funded multinationally by the Nations shall be divided among the Nations in accordance with the sharing applied to the funding, or as amended by subsequent arrangements between the Nations concerned. The residual value shall be determined on the basis of the military or economic usefulness or the net proceeds from sale.

3. Upon request, the Host Nation will provide to the Nations the computed residual value of all ACE TLP capital expenditure items as of 31 December of the preceding year.

ARTICLE 10 - MEDICAL SUPPORT

1. Pursuant to Article IX para 5 of the "Agreement between the Parties to the North Atlantic Treaty Regarding to Status of Their Forces" of 19 June 1951, the following rules apply to

a. ACE TLP Staff personnel, course participants and support personnel excluding local civilian labour.

(1) ACE TLP Staff personnel, course participants and support personnel are provided free medical and dental treatment in Belgian military medical facilities, inpatient treatment included.

(2) The free delivery of prostheses is excluded. These have to be manufactured in civilian facilities. The cost is borne by the concerned Nation.