



CLIMATE CROSSFIRE

How NATO's 2% military spending targets
contribute to climate breakdown



IPPNW
Germany



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D'ESTUDIS
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EXECUTIVE SUMMARY

Climate mitigation and adaptation efforts are chronically underfunded by billions of dollars, deepening the climate crisis and its impacts on citizens around the world. This has made climate finance one of the most contentious issues at annual United Nations climate summits as the richest countries that bear the most responsibility for climate breakdown have failed to keep even their limited promises of finance for those facing its harshest consequences. At the same time, the richest and most carbon-polluting nations are also increasing military expenditure. Global military spending has reached a record high of \$2.24 trillion, more than half of this spent by NATO's 31 member states, and budgets are projected to increase massively in the next few years.

This briefing examines the impact of one of the key drivers of increased global military spending – NATO's target for all its member states to spend a minimum of 2% of their Gross Domestic Product (GDP) on the military, and the related target of at least 20% of expenditure on equipment. It looks at the history of the target, how it drives military spending, its impacts on greenhouse gas (GHG) emissions, its likely overall financial and ecological impacts in the coming decade, and the arms industry that will profit from it.

NATO's target has quickly become a benchmark for military spending, yet as this briefing shows, the goal has no clear methodological basis. Set in 2006 before the Russia's initial invasion of Ukraine in 2014, it is now defended as necessary to counter the Russian threat. Clearly Russia has a recent history of military interventions, particularly in neighbouring countries such as Ukraine and Georgia. Yet even before achieving the 2% goal, in 2021, the 31 member states of NATO spent more than 16 times as much as Russia and its allies in the Collective Security Treaty Organization (CSTO, which includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan). Nevertheless, the target has received widespread momentum, and the NATO Secretary General now presents it as the minimum required for military spending for NATO and its allies.

The contrast between NATO's target with that of the Intergovernmental Panel on Climate Change (IPCC) – which proposed that all nations cut GHG emissions by 43% by 2030 in order to keep global average temperature increases below 1.5°C – could not be starker. The IPCC target is based on the best available climate science and yet is largely ignored, with none of NATO's members (or CSTO's members for that matter) committing to achieve 43% real cuts by 2030. Indeed, by adopting NATO's 2% target, they are making the IPCC target even harder to achieve as the planned increase of military budgets will significantly increase military GHG emissions and divert funding from climate action.

NATO and the arms industry frequently talk about 'greening' the military but have all but failed to reduce emissions in any of their operations. Increased military expenditure will therefore always increase GHG emissions.

Based on detailed calculations, our research estimates that:

- The total military carbon footprint of NATO rose from 196 million metric tonnes of CO₂ equivalent (tCO₂e) in 2021 to 226 million tCO₂e in 2023 – 30 million tonnes more in two years, equivalent to putting more than 8 million extra cars on the road.
- NATO's average yearly military carbon footprint of 205 million tCO₂e is higher than the total annual GHG emissions of many individual countries. If NATO's militaries were a single country, it would rank as the world's 40th largest carbon polluter.
- If all NATO members meet the target of 2% GDP spending, between 2021 and 2028 their total collective military carbon footprint would be 2 billion tCO₂e, greater than the annual GHG emissions of Russia, a major petroleum-producing country.
- NATO's military spending increased from \$1.16 trillion to \$1.26 trillion between 2021 and 2023, and the number of states meeting the 2% target almost doubled from six to 11 countries. If all 31 member states were to meet the 2% minimum GDP target, it would lead to an estimated total expenditure of \$11.8 trillion between 2021 and 2028.
- NATO's military expenditure of \$1.26 trillion in 2023 would pay the most-polluting nations' unfulfilled promise of climate finance of \$100 billion a year for 12 years.
- If every NATO member were to meet the commitment to 2% of GDP on military spending, by 2028, NATO would spend an estimated additional \$2.57 trillion, enough to pay for what the United Nations Environment Programme (UNEP) has estimated are the climate adaptation costs for low- and middle-income countries for seven years.
- For European NATO members, the €1 trillion extra spending needed to achieve the 2% of GDP target for military expenditure is equivalent to the €1 trillion needed for the EU Green Deal.

The principal beneficiary of NATO's targets is the arms industry, which has seen its revenue, profits and share prices surge. The industry is lobbying to ensure that these profit streams become permanent, by demanding long-term structural commitments to arms production and by limiting environmental commitments. The lobbying has paid off, as seen in the 2023 EU Act in Support of Ammunition Production (ASAP), NATO's Defence Production Action Plan (2023), and the Biden administration's support for arms production. It will also boost arms exports to countries outside NATO, as the war economy looks for further outlets after the war in Ukraine is over. Analysis of NATO members' arms exports shows that these are currently being sent to 39 of the 40 most climate-vulnerable countries; 17 of which are already in armed conflict, 22 have an authoritarian regime, 26 score low in human development indicators, and nine of which are subject to UN or EU arms embargoes. These exports fuel conflict and repression at a dangerous moment of climate breakdown.

Most importantly, the NATO targets – with all the attendant environmental consequences – are igniting a new arms race just as the climate crisis worsens. This will lead to increased emissions and absorb financial resources from already grossly inadequate climate finance. It is a political distraction that diverts attention from the biggest security crisis humanity has ever faced: climate breakdown. Ultimately, no sector can claim 'exceptionalism' from radical climate action, including the military and the arms industry. Common security and even life on Earth depends on only one target – urgent climate action undertaken by all.