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NATO Summit in Ankara (7-8 July 2026)

NATO Summit in Ankara: Shaping Allied Security

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The Ankara Summit ended with no breaking news. Nevertheless, despite Washington's current position on NATO and NATO Allies, the final declaration came to prove that security interdependence remains a core binding element of transatlantic relations and that defence cooperation among Allies and their technological and industrial stakeholders are an inevitable condition to better defence and deterrence.

NATO's Summit Defence Industry Forum, which took place on 7 July, was NATO's first high-level event on transatlantic defence production, investment, and innovation, during which it endorsed a Strategy for Industry-NATO Cooperation. The document points to the need for better industrial defence cooperation, despite the fierce competition among European defence industries and the presence of a protectionist American defence sector. Today's transatlantic challenges are not unfamiliar to Allies' strategic calculations, not to their national realities, as European and U.S. views on NATO have at times differed and Russia's threat has been perceived differently on both sides of the Atlantic.

Public support for higher defence spending is growing, although it is dependent on the political cycles and industrial and technological developments among the most capable. The 5% target for defence spending and a likely reduced U.S. defense presence in Europe will put extra pressure on Allies. In the north, with respect to the protection of the Baltic States, in case an attempt by Russia to invade occurs. In the East, regarding the implementation of security guarantees in support of Ukraine. In the south, with respect to countering Russian and Chinese interference in the Atlantic, in the Mediterranean, and in Africa. In the Southeast flank, where Türkiye may play an important role *vis-à-vis* Ukrainian interests in the Black Sea and Euro-Atlantic security in the Eastern Mediterranean and beyond.

To cover such a vast strategic area of interest, NATO Allies need to ensure the necessary capabilities, in the absence or with limited U.S. engagement. Better NATO defence and deterrence rests on investments on required capabilities for likely scenarios, which means evolving to actual readiness on intelligence, surveillance and reconnaissance (ISR), deep-strike capability, drones, ammunition and air defences.

More effective defence and deterrence imply political will, military capabilities, and an industrial and technological base able to produce with speed and scale supported by a new defence business model, as suggested in NATO's Rapid Adoption Action Plan, able to develop new technologies fit for a war in progress. It will demand capacity to anticipate, to adapt and to ensure credible responses, with a collective advanced forward presence and capacity to use both heavy weaponry and high-tech defence systems and platforms to deter Russia's threat.

The 5% commitment has pressed Allies to spend in a more streamlined way with NATO target goals. While the 3.5% may be guaranteed by NATO countries, the contribution to the 1.5% investments, on soft security skills, may be complemented by the EU, notably in the context of protection of critical infrastructures, digital innovation, cyber security, resilience, and the development of a defence industrial base. For each of the 23 common Member States, any development of NATO or EU hard and soft security skills will benefit all.

Smarter spending has to be sustained by long-term investments. The new NATO Strategy for Industry-NATO Cooperation calls attention to the need to set strategic commitments based on scenarios and integrated in NATO target goals; more efficient capability development; simplification of procurement; and long-term investments that guarantee the return of investment to investors, in particular the private ones.

The war in Ukraine came to prove how military mobility, an important area of NATO-EU cooperation, prepositioning of logistic assets and support, made a difference in the early days of the invasion. As the war evolved, protection of critical infrastructures, higher

Left Unsaid: NATO's Strategic Retrenchment

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production in the defence sector and access to critical materials remain key strategic priorities. NATO's Defence Critical Supply Chain Security Roadmap and the EU's Critical Raw Materials Act are designed to ensure access to a secure and sustainable supply of critical raw materials. Likewise, new partnerships with non-NATO or non-EU countries may facilitate access to critical resources, easing uncertainty of supply and reducing transaction costs, that came with unreliable trade partners.

The U.S. administration's announcement to reduce its military presence stationed in allied countries may affect the European pillar of NATO to deter, making it difficult to constitute a strong peacekeeping force to protect Ukraine once a ceasefire is reached. The Black Sea's growing militarization by Russia, which affects critical infrastructures, exports, and freedom of navigation, will keep the region under siege. Türkiye's privileged position in the region and its direct access to Moscow may benefit Ankara's role in mediating regional geopolitical stability by strengthening ties with partners, such as Spain, Italy, the UK and Norway, in supporting Ukraine.

The continuous focus on NATO's north and east peripheries, as compared to the south, regardless of the deterioration of security in the Sahel and in the Middle East, means for the South to compete for strategic focus in the East with the war in Ukraine and in the Middle East, from Gaza to Iran.

Today, the protection of governmental military and non-military interests blends the role of military administrations, state institutions and security organisations, with that of non-state and private actors. This will comprehend better resilience, innovation, and economic and technological leverage as part of a comprehensive approach to Euro-Atlantic defence, from core defence tasks to the protection of infrastructures, critical resources, and the development of a defence industrial base.

Finally, what tests Euro-Atlantic stability is often conventionally played outside the area of application of the Washington Treaty, with an impact on regional security in Ukraine, in the Mediterranean, the Middle East, and Sub-Saharan Africa, from energy provision to global trade stability, meant to target transatlantic political and strategic cohesion.

These are some of the challenges that remain after the NATO Summit in Ankara.

NATO summits are not what they used to be. The 2024 Washington Summit concluded with a 38-paragraph declaration. Vilnius in 2023 delivered a mammoth 90-paragraph text. By contrast, the recent Ankara Summit resulted in a short six-paragraph statement. That issued at The Hague Summit in June 2025 comes in at just five paragraphs.

With textual reduction has come strategic retrenchment. NATO has moved toward a minimalist vision. In the run-up to Ankara, Secretary General Mark Rutte noted three priorities: "transforming defence investment within the Alliance, defence industry innovation, and continued support for Ukraine."¹ These found their expression at Ankara in a commitment to increase defence spending so as to "counter the long-term threat Russia poses to Euro-Atlantic security and stability." To that end, most of the summit's day one was taken up by the Defence Industry Forum. This generated "more than \$50 billion in new procurements", underpinned by a new Strategy for Industry-NATO Cooperation. Integral to all of this was the notion of "a stronger Europe in a stronger NATO." Here, the Allies would take on the lion's share of conventional defence – a historic burden-shift that would allow the United States, in the words of Undersecretary of War for Policy Elbridge Colby, to "prioritize those theaters" (namely, the Middle East and the Asia-Pacific) "where only American power can play a decisive role."²

Minimal NATO goes back to the Cold War. Then, the Alliance was determinedly concentrated on the task of deterring the Soviet-led Warsaw Pact. Between its founding in 1949 and the collapse of the Soviet Union in 1991, NATO consequently had no meaningful role "out-of-area." That changed after the Cold War, giving rise to "NATO 2.0" – an alliance that, in Colby's telling, departed from its earlier "flexible realism" in service of far-flung missions. These missions were, of course, spearheaded by the United States – as in Bosnia, Kosovo,

¹ <https://www.c-span.org/program/public-affairs-event/secretary-mark-rutte-on-2026-nato-summit-priorities/681686>

² <https://www.war.gov/News/Speeches/Speech/Article/4404801/remarks-by-under-secretary-of-war-for-policy-elbridge-colby-at-the-nato-defense/>

and Afghanistan – and so served American interests as well as those of Europe and Canada.

But the exhaustion of expeditionary missions, both under a NATO (Afghanistan) and coalition (Iraq) flag, drew the Allies back to first principles. If a strategic reorientation was in the offing, it was then precipitated by conditions similar to those that had given rise to the Alliance in the first place. A shared appreciation of the Russian threat after the 2014 Crimea crisis shifted the Alliance back toward collective defence.

Even so, NATO still clung to a wide-ranging agenda. The 2022 Strategic Concept contained commitments both numerous and sweeping in scale. “We will”, the document asserted, “promote good governance and integrate climate change, human security, and the Women, Peace and Security [WPS] agenda across all our tasks.” On some of this, NATO was good to its word. At the 2021 Brussels Summit, NATO leaders had already adopted a Climate Change and Security Action Plan, noting that “[c]limate change is one of the defining challenges of our times.” NATO, the Summit declaration declaimed, would aim “to become the leading international organisation when it comes to understanding and adapting to the impact of climate change on security.”³ This policy breakthrough owed much to the commitment of the Secretary General Jens Stoltenberg, but it could not have occurred without the support of key Allies – notably that of the Biden administration.⁴ Between 2021 and 2024, NATO developed a serious position on climate change – headlines included an annual Climate Change and Security Impact Assessment and the opening of a NATO Centre of Excellence for Climate Change and Security in Montreal. These initiatives built on decades of work in NATO on emergency response, environmental protection training, and scientific research.⁵

The disappearance of climate change from NATO summitry and high-level communication from 2025 owes much to scepticism on the issue within the Trump White House.⁶ But this is not the full

explanation. Moving from high-level declarations of intent to practical implementation was always going to be difficult. NATO has no power to compel allied militaries toward climate action. Its agreed post-2021 initiatives were only about monitoring and good practice. Some Allies (Spain, for instance) remain engaged on the issue.⁷ But scepticism among governments on their benefits has meant mitigation and adaptation measures have had only a limited take-up. The demands of repurposing militaries for collective defence mean climate considerations have for some come to be seen as a dispensable luxury.⁸

WPS has suffered a similar fate. A feature of summit agendas between 2021 and 2024, WPS disappeared in 2025 and 2026. The NATO WPS Action Plan agreed in 2021 was due for renewal in October 2025 but was scuppered by a lack of consensus. WPS remains a priority of many national militaries, but as Katherine Wright has suggested, “the current U.S. administration has created space for a minority of more sceptical Allies to challenge and potentially dismantle the WPS agenda within NATO.”⁹ Hungary, Slovakia, and Türkiye, along with the United States, make up a caucus of Allies that Yada Matin notes “have opposed WPS and gender equality-focused policy at NATO.”¹⁰

Climate change and WPS are no longer seen as mission-critical to NATO. Their marginalisation is emblematic of national political preferences but also of a broader strategic retrenchment. Concerns over Moscow’s intentions have deepened since Russia invaded Ukraine. NATO’s operational focus is now firmly on the eastern flank.¹¹ Out-of-area missions have been scaled back (the Iraq Training Mission has been relocated to Naples; KFOR may soon see its American contingent withdrawn and the mission transitioned to the European Union). And at Ankara, there was no mention of China or NATO’s southern agenda. Some of NATO’s Gulf and Indo-Pacific partners were present, but no regional initiatives were announced.

For now, the long-standing debate between minimal and maximalist visions of NATO has

³ Brussels Summit Communiqué, paras. 6(g) and 58: <https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2021/06/14/brussels->

⁴ <https://www.tandfonline.com/doi/epdf/10.1080/14702436.2025.2474074?needAccess=true>

⁵ <https://www.nato.int/en/what-we-do/wider-activities/environment-climate-change-and-security>

⁶ <https://councilonstrategicrisks.org/2026/01/20/stability-multipliers-fooled-security-climate-change-and-the-future-of-nato-resilience/#summit-communicues>

⁷ <https://www.dw.com/en/why-is-nato-ignoring-the-threat-of-climate-change/video-78040088>

⁸ <https://opencanada.org/a-two-tier-nato-is-emerging-on-climate-almost-no-one-is-talking-about-it/>

⁹ <https://committees.parliament.uk/writtenevidence/140440/html/>

¹⁰ <https://natoassociation.ca/building-multilateral-wps-resilience-at-nato/>

¹¹ <https://www.iiss.org/online-analysis/military-balance/2026/07/natos-three-front-problem/>

been resolved in favour of the former. But a more focused NATO may be no bad thing if it delivers on its priorities. Deterring Russia – and, by extension, supporting Ukraine – all while having to deal with American disengagement are challenges enough.

NATO 3.0: Rearming Europe to Strengthen NATO

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While the NATO Summit in Ankara produced no spectacular headline, it may enter the Alliance's history as the Summit that kickstarted Europe's new role towards becoming a more decisive actor in NATO's conventional deterrence and defence. It may even be seen as the beginning of the transition phase from burden-sharing to burden-shifting and of the implementation of what American administration officials are calling NATO 3.0. Following up on the 5% GDP commitment for defence decided on in 2025, Europe is now expected to seriously engage in procuring, producing, and deterring for its own defence.

What does NATO 3.0 stand for? At the February 2026 NATO Defence Ministers' meeting in Brussels, U.S. Under Secretary of Defence Elbridge Colby proposed a strategic rebalancing of Allies' roles within the Alliance. During the Cold War, in what can retrospectively be described as NATO 1.0, the Alliance's primary role was to deter and defend against the Soviet Union through burden-sharing, with Allies jointly responsible for collective deterrence and defence. After 1991, the Alliance evolved into NATO 2.0, centering the Alliance's focus on "out-of-area" operations and on cooperative security policies.

NATO 3.0, in turn, now signals a return to the Alliance's core mission of deterrence and defence. With a decisive difference, however, that marks this not as a return to the *status quo ante* but as a transition from burden-sharing to burden-shifting: in NATO 3.0, the United States will assume a fundamentally different position, changing its role as Europe's primary conventional defender to solely remaining Europe's nuclear backbone or strategic guarantor only. Against the backdrop of growing strategic competition with

China, and with the U.S. no longer able to prepare for engaging in conflicts in Europe and the Indo-Pacific simultaneously, Colby advocated a rebalancing of responsibilities, with the European Allies assuming primary responsibility for Europe's conventional deterrence and defence on the continent. Building on the U.S. National Defense Strategy's assessment that Russia constitutes a "persistent but manageable" threat for Europeans to deal with, U.S. Secretary of Defense Pete Hegseth announced at the NATO Defence Ministers' meeting in June, in Brussels, that the U.S. will present its Force Posture review until the end of 2026. While this review was already expected to come out last year, the current U.S.'s Department of Defense position is that the U.S. will continue on its path of disengagement from Europe, with troop reduction and capabilities withdrawal expected to still occur during the Trump administration's period.

If NATO 3.0 means a recalibration intended to rebalance transatlantic responsibilities within the Alliance, this could create what Secretary General Mark Rutte in Ankara called "a stronger Europe in a stronger NATO"; if, however, NATO 3.0 is intended to give the United States greater strategic flexibility and enable a new transatlantic division of labour, then we run the risk of this paradoxically leading to a stronger Europe but in a weaker NATO. NATO 3.0 with a diminished U.S. role is more than a mere military adjustment: it also changes the political equilibrium and Alliance cohesion, making a politically more fragile Alliance possible.

To prevent NATO from becoming weaker, the Allies need to ensure NATO's transformation. NATO Allies must speedily close the gap between declarations and delivery and start the implementation process swiftly to ensure the credibility of the Alliance remains central. In the medium term, transformation is about European reindustrial consolidation, defence industries' delivery, and converting financial pledges into deliverable capabilities. The main constraint on strengthening deterrence has shifted from funding to implementation, which is still hampered by a lack of industrial capacity and production speed. To overcome this, Europe needs to modernise procurement rules, defence manufacturers must speed up the effectiveness of their production lines and create vertically integrated supply chains, and civilian companies need to be enabled to contribute to military capability production.

But the Ankara Summit left two fundamental questions unresolved: how far and how quickly the United States will shift the burden of European conventional defence onto Europe itself and how Europeans will manage the transition to NATO 3.0 without weakening the Alliance's cohesion and deterrence. Allies will thus face two challenges: first, the challenge of transatlantic defence industrial cooperation. Europeans assuming greater responsibility inevitably creates industrial and political friction with the United States; the challenge is to manage this friction so that the redistribution of responsibilities strengthens, rather than weakens, the Alliance. On the side of defence industrial cooperation, transatlantic cooperation is bound to go hand in hand with increased intra-European defence cooperation, which will inevitably lead to increased defence industrial competition and, where "Buy European" *vs.* "Buy American" is likely to raise difficult issues of industrial protectionism on both sides of the Atlantic.

The inherent irony in the current debate is that while Europe's efforts to strengthen its own defence capacity may go against some U.S. defense industrial interests, they are also a logical consequence of Washington's longstanding demands for greater European investment in defence. The U.S.'s critique of the EU's Security Action for Europe (SAFE) mechanism and of the 65% European-produced equipment requirement as "protectionist" together with its warning that it would reevaluate bilateral agreements allowing European defence manufacturers to compete for Pentagon contracts, already shows the hurdles that future transatlantic defence cooperation is likely to encounter.

The second challenge is political, namely whether Europeans, faced with the U.S. withdrawing from the continent's conventional defence, will be able to contribute in a united and integrated way to strengthening NATO's conventional deterrence and defence, or whether old rivalries will resurface. Allies should not lose sight of the overall political objective of the NATO 3.0 process: ensuring that a stronger Europe reinforces NATO while consolidating a robust European pillar of defence. European rearmament must strengthen, rather than unintentionally undermine, Alliance cohesion and effectiveness. Equally important, the transition to greater European responsibility needs to be accompanied by a coordinated and orderly adjustment of the U.S.

role, avoiding a disorderly, or even confrontational retrenchment that could render burden-shifting unmanageable and weaken the Alliance.

The paradox of NATO 3.0 is that while European rearmament is necessary to strengthen NATO, a diminished U.S. role as Europe's strategic anchor risks exposing political divisions among European Allies, eclipsing their shared strategic interests, and weakening the Alliance's cohesion. The defining challenge of NATO 3.0 is therefore not European rearmament *per se*, but managing the transition to ensure that Europe's growing defence capabilities translate into stronger deterrence while reinforcing, rather than fragmenting, Alliance cohesion. European Allies and Canada should begin mastering this balancing act now.

European Defence after Ankara*

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The recent NATO Ankara Summit survived confrontational atmospherics to deliver a reasonably worded declaration that confirmed the validity of Article 5 of the Treaty as well as a positive approach to support Ukraine against Russian aggression (though those exact terms were conspicuously absent).

Thus, Europe will have to increase its footprint in developing resources and equipment that will allow it to resist any hostile actor. Currently, we cannot frame this objective as nothing more than aspirational, as a good number of experts believe it will take the best part of a decade to achieve the required level of readiness.

It is indisputable that some positive steps in the right direction have already been taken. The most important, perhaps, was to acknowledge that for many years defence had been a poor relative in State budgets, while outside the peaceful world that the generation that came out of the fall of the Berlin Wall believed was eternal became ethereal, threatened by dreams of conquest and subjugation. That situation needed to be reassessed; ruling elites were now convinced that their citizens' security was paramount. This change of mood also permeated people in general, voters now

concerned about security much more than in the past, even if cautious that budgetary transfers would not impact other sectors like health or education.

Efforts to better coordinate among nations, strategies (“Strategic Compass”, for instance) that tried to define priorities and implementing mechanisms, or rethinking of its structures of command and control became natural lines of work in the European Union. In this context, the need to redefine an industrial base and an industrial policy was also obvious if Europe wanted to cut its dependencies in vital areas to third actors (Covid was a forceful alert, and parallels with other sectors, including defence, were rapidly established). The European Commission adapted to this new era by changing portfolios or creating new ones, and together with Member States and the EEAS is working on a new Defence and Security Strategy that should be as inclusive as feasible.

The SAFE instrument, allowing for Member States to do joint procurement (or even individual, although on a temporary basis) financed by European loans and defined percentages of non-European components, might not be a game changer but is undoubtedly the right path to achieve a target that is only reachable through enhanced cooperation.

Challenges are multiple. The first one is a more complex relationship with the United States under the current Administration. Trust is an indispensable vector in international relations. When a partner changes its mind continuously and undermines its Allies through a litany of repetitive (and unfounded) accusations, the room for a healthy relationship narrows considerably. And yet, Europe still needs Washington because it is forced to acquire technologies and equipment that are much needed and unavailable elsewhere. How to manage this fractured relationship in the coming years will certainly be rather high on the list of actions of the European rulers. Even if the tenant in the White House will be more sympathetic to a common history and more akin to reinforcing the Alliance.

The second challenge will be the temptation to go solo. Instead of strengthening the European pillar of NATO (curiously, this expression was anathema not so many years ago in NATO corridors), some might consider that the EU should redefine its own command structures, profiting from the experience acquired by managing peacekeeping operations

around the planet. It might be a costly route, in my view, as European institutions are horizontal in concept and running a military operation demands a much more vertical chain of command. Moreover, it would be pitiful if the European effort would not include countries like the United Kingdom, Norway, or Türkiye that can contribute strongly to European Defence, not to speak about Ukraine.

The third challenge is, of course, to ensure progress in areas where there is a long way to improve, like military mobility, training processes, or certifications (for instance, a fighter pilot is certified to fly a plane of its nationality but cannot fly the same plane belonging to another country’s armed forces). How to mix a culture where national sovereignty used to be the motto with the imposing reality of international operative action will be defying, though certainly not unachievable.

The final challenge, last but not least, is to never forget what we are defending. Our democratic values are the pillars of our free societies. History never repeats itself, contrary to *vox populi*; however, there are examples in the past that should be avoided, and all actions taken should always be respectful of Human Rights and the Rule of Law. Otherwise, we are no better than those we are fighting.

Summing up, NATO is still our better chance to defend ourselves; developing the European defence industry is critical but, in fairness, needs to be done cooperatively with the United States since they have what we require and there are no better doors to knock. First and foremost, we should never forget why we want to preserve a certain way of living, based on respect for others and the primacy of law. That’s why it is worth to fight if all that is under menace.

*The text represents the author’s personal view and does not necessarily reflect the position of the Ministry of Foreign Affairs.

Nato's Defence Industrial Perspective after Ankara

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Introduction

Reality dictates that the transatlantic defence market has to be maintained while the European Defence Technological Industrial Base (EDTIB) has to be strengthened simultaneously. On the one hand, the armed forces of many Allies will depend for years to come on high-tech U.S. weapons systems. Furthermore, the defence industries of many allies are integrated into multinational production networks or export outside the EU. They need participation in European, NATO as well as global supply chains. On the other hand, the Russian invasion of Ukraine has demonstrated a more integrated European defence market is needed. Russia's invasion of Ukraine has exposed major shortcomings in Europe's defence industrial capacity, ammunition production, and supply-chain resilience. The EDTIB has to be strengthened to improve military readiness, to enhance security of supply, and to strengthen Europe's ability to respond to future crises. Against this backdrop, it was good news that the NATO Allies in Ankara, at least for now, did not get caught between "Buy American" and "Buy European".

One of the key issues of the Europeanisation of NATO is expanding European defence industrial capacity while simultaneously reducing vulnerabilities in logistics and supply chains. This is not merely a military requirement. It is a political requirement as well. First and foremost, European Allies have to ensure that increased military spending results in extra jobs at home. Furthermore, it is about strategic de-risking transatlantic defence dependencies. Hedging against future uncertainties in the transatlantic relationship has become necessary. Not only because of specific (future) actions of the Trump administration, but also because of other (future) U.S. engagements and U.S. defense industrial challenges meeting demand.

A thoughtful, balanced package

At the Summit, a carefully crafted 50 billion U.S. dollar package was presented, comprising three procurement origins: European, American, and hybrid. European sourced capabilities include the

Saab Global Eye (AWACS replacement), as well as the Airbus A400M and Airbus MRTT (production expansion). The MQ-4C Triton maritime surveillance drones will be produced in the U.S., as well a number of U.S. missile systems (including precision strike missiles). Hybrid capabilities (meaning retaining U.S. technology while Europeanising production, maintenance, and supply chains) will include the production of Army Tactical Missile Systems (ATACMS) in Germany as well as the development of European maintenance and support facilities for Patriot missiles. The Ankara procurement package does not indicate a shift away from American suppliers. The procurement of European capabilities does strengthen the EDTIB. The procurement of American capabilities demonstrates the lack of alternatives in several high-end areas. Most importantly, the hybrid transatlantic production initiatives shows there is room for political compromise, as well as solving some of the problems U.S. defense industry is facing and addressing some of the European security of supply concerns.

Problem solved?

This package may actually evolve into some sort of a model, mitigating future transatlantic tensions regarding procurement and industrial production.¹ This approach reconciles two legitimate objectives. Preserving a strong transatlantic defence-industrial relationship while enabling Europe to build sufficient industrial capacity to act as a stronger and more self-reliant pillar within NATO. This approach empowers the EU to become, as envisaged, the unchallenged mechanism for building the European pillar through industrial policy, joint procurement, and financing defence investment. Simultaneously, the U.S. remains the principal, indispensable provider of high-end military capabilities, where no European alternative yet exists or where interoperability is paramount. Some may consider this the desired way forward. Others see it as a dangerous distraction from full European strategic autonomy. For the author the approach represents the pragmatic way forward, as well as the acceptance of the need of many Allies to remain open to transatlantic industrial collaboration.

1 NATO Summit Declaration. 8 July. Available at: <https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2026/07/08/the-ankara-summit-declaration>: "Today in Ankara, we announce more than \$50 billion in new procurements and commit to expanding collective manufacturing capacity and working with industry to accelerate innovation. We will continue our work to eliminate defence trade barriers among Allies and leverage NATO's partnerships to maximise defence industrial depth and cooperation."

Of course, this does not mean the tension between a transatlantic defence market and a stronger EDTIB is resolved. The question is not simply how much Europe spends, but where European Allies spend their rising defence budgets. This will remain a defining issue for years to come. European Allies need to spend more money in Europe, while the U.S. wants to retain as much of the European defence market as possible.

The paradox of Transatlantic Defence Financing and Europe's Industrial Fragility

Filipa Palma
IDN Intern

The redefinition of the transatlantic security architecture has entered a new phase marked by the need to translate investments into real military power. At the recent NATO Summit in Ankara, the debate on burden-sharing moved from a purely quantitative approach to focusing on operational efficiency. If the Hague Summit (2025) formalized the political commitment for the Allies to invest 5% of GDP in defence by 2035 (resetting the previous target of 2%), the Ankara Summit established that the current challenge transcends nominal financial commitment, residing in the European capacity to convert this unanticipated budgetary effort into credible, sustainable, and ready-to-act military forces and capabilities.

This demanding process of fiscal consolidation is taking place in Europe at a time of economic slowdown and demographic pressures. The drastic increase in military spending aggravates fiscal pressure, forcing governments to make difficult choices between defence procurements, public investment, and social spending. Faced with the prospect of the Trump administration reducing the number of U.S. troops and withdrawing conventional capabilities in Europe, Allies are prioritizing conventional defence and increasing defence spending to strengthen deterrence credibility *vis-à-vis* Russia. As always, industrial reality dictates a waiting period. European industry lacks efficient production capacity in the short term in several capacity areas: without sufficient infrastructure and logistics to meet demand, Europe

remains structurally dependent on the U.S. and its nuclear protection umbrella.

The operational logic behind this defence spending effort is essentially pragmatic: in the face of immediate needs and limitations in European productive capacity, the Member States favor the acquisition of available capacity, regardless of its origin. European defence investment firms do not find an immediate match in the industrial capacity of Allies; governments resort to ready-made purchases, many of which come from U.S. suppliers. As a consequence, a large portion of the increased spending flows into U.S. defence contractors. In other words, this creates a momentary paradox: the aim of strengthening NATO's European pillar of Europe's defence is constrained by current European industrial limitations, which in turn temporarily reinforces dependence on American suppliers. Thus, the increase in the European and Canadian budgets does not yet correspond to a technological and industrial defence base capable of responding to the increases in demand. Inevitably, part of the financial investment is thus directed to the U.S. defence industry, reinforcing, in the short term, the dependence of the Allies on capabilities whose production is based in companies in the United States.

Although the recent Canadian order for 12 submarines from Germany signals a gradual shift towards partnerships focused on European capabilities, the gap until the maturation and expansion of European production capacity for these projects is reached will predictably continue to be filled by off-the-shelf acquisitions from the North American market.

The Stockholm International Peace Research Institute (SIPRI) data from 2026 shows that while the U.S. military budget contracted by 7.5% in 2025 to \$954 billion (largely due to the absence of new military assistance packages for Ukraine), the rest of the world's military spending grew by 9.2%, with European NATO Allies increasing military spending in 2025 at the highest pace since the 1950s, with Germany (+24%) and Spain (+50%) among the most pronounced cases.

These data thus highlight the main tension underlying the commitments made in Ankara: while the increase in European spending responds to the immediate requirements of deterrence and collective defence, the achievement of the ambition of a more autonomous European industrial base remains conditioned by

production constraints that can only be overcome in the medium and long term and that now reinforce Europe's dependence on U.S. capabilities.

On the European Union side, it was clear that the discussions in Ankara reinforced the diagnosis underpinning the European Defence Industrial Strategy (EDIS): the fragmentation of the defence market, the persistence of competing national procedures, and the duplication of industrial capabilities continue to limit Europe's ability to respond autonomously to the current strategic context.

Portugal is a case in point. Having agreed to the 5% of GDP pledge at The Hague Summit, the country faces a scarce capacity to retain value in the national economy. Historically dependent on large U.S. platforms for core capabilities, such as the F-16 fleet, the modernization of its Armed Forces dictates the direct export of public capital to Washington. For States the size of Portugal, autonomy does not require industrial autarky, but rather integration in high-value niches and dual-use technologies. The country has a qualified base via IDD Portugal Defence, CEIIA, OGMA, and Edisoft. But without integrated European value chains that absorb these technological SMEs, Lisbon's effort will continue to focus on off-the-shelf acquisition, rather than constituting a structural investment in the national scientific and industrial fabric. To reduce this classification of dependencies and strengthen the European Defence Technological and Industrial Base (EDTiB), the EU's European Defence Industrial Strategy (EDIS) sets benchmarks aimed at achieving a minimum of 50% of defence procurement within the EU by 2030 (60% by 2035) and 40% of collaborative procurement by 2030 as a way to reduce this European industrial fragility.

In sum, at the NATO Summit in Ankara, the European Allies signaled that pursuing a European industrial capacity is not aimed at a political break with the United States, but rather at developing an operationally viable European pillar within NATO. An industrially capable Europe will not fragment the transatlantic security architecture; on the contrary, it will strengthen the resilience of the Atlantic Alliance, transforming a set of historically dependent Allies into full-fledged strategic partners.

Concrete Capabilities: Defence Industrial Cooperation Will Bring Cohesion and Conflict

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One year after the Hague Summit, it appears that the financial and strategic commitments made then, signalling a shift to NATO 3.0, will be a lasting change to the Alliance. When the Ankara Summit declaration announced a "stronger Europe in a stronger NATO – a modernised Alliance," it demonstrated rhetorical recognition of the reality that has been confronting NATO since the outset of the Ukraine war: non-U.S. Allies must assume greater responsibility for their own security. However, currently the most critical hurdle that European Allies must overcome is not political resolve, but a lack of industrial capacity combined with a high production demand. Thus, it is a widely recognised truth that bolstering the defence industrial cooperation of the Alliance is a crucial next step. What the Hague Summit left opaque as an abstract 5% of GDP commitment to defence, the Ankara Summit makes clear: Europe is taking strides towards its defence independence, but it needs tangible results and products that represent this shift rather than verbal reinforcements. The Ankara Summit provided a few welcome examples of this – two new NATO initiatives and new minilateral coalitions – but the coming years will also likely pose great challenges to cooperation if industrial disputes are not handled adeptly, minimizing the tensions between the U.S. and the rest of the Alliance.

Two new initiatives, the "NATO front door for industry" and the "NATO Engine", signal the coming shift of defence industrial cooperation within the Alliance. The NATO front door consolidates procurement opportunities and innovation events into a single platform. This is a sensible solution that seems overdue in creating a modern, cohesive military alliance. More structurally significant, the NATO Engine is a framework that connects available industrial capacity in non-defence industries to defence industrial actors that can make use of that opportunity. This program reflects the significant societal-level militarisation that is occurring throughout the Alliance.

Beyond internal NATO structures, Allies are also initiating cooperation through minilateral coalitions such as the Deep Precision Strike Investment Initiative. The DPS initiative is a \$50 billion commitment that represents a significant signal of intent to bolster this lacking piece of the greater European defence project. The twelve countries of the deal – Denmark, Estonia, Finland, France, Germany, the Netherlands, Norway, Romania, Spain, Sweden, Türkiye and the United Kingdom, which led the deal, represent many of the largest military forces in Europe. Some of these countries are already on track to the 5% GDP spending on defence benchmark; Estonia exceeds it at 5.1%, Denmark follows at 3.49%, and Sweden at 3.22%. Others, like Spain, which only in 2026 reached 2%, may be able to use their participation in this new investment as a way to assuage some of the persistent criticism regarding defence underinvestment from President Trump that was once again on display during the Summit.

Deep Precision Strike capabilities are emerging as a critical component of European defence. As demonstrated by the ongoing large-scale war initiated by a nuclear-armed State, nuclear deterrence alone is insufficient to prevent significant conflict. DPS capabilities provide Allies with credible means of striking high-value military targets and critical infrastructure deep within the adversary's territory that would otherwise remain beyond the reach of conventional systems. Thus, beyond the investment as a signal of Alliance commitment, this program will strengthen credible deterrence on Europe's eastern flank. Minilateral coalitions, like the Deep Precision Strike Investment Initiative (DPSII), offer willing Allies opportunities for joint procurement and capability development while remaining aligned with NATO's overall defence planning framework.

While the Ankara Summit produced some successes for the Alliance, namely the recommitment to Article 5 and the early-stage implementation of last year's commitments, it will also result in new challenges for NATO. The United States, since the beginning of the Alliance, has been the dominant military power. Along with that role, came the opportunity of being the premier arms producer for its Alliance partners. In leading the charge for bolstering European defence spending, the U.S. has now put itself in a strategic bind. In the short term, European Allies will inevitably continue to procure key U.S.

capabilities from American defence manufacturers as they will not be able to scale up their own industrial capacity at speed. However, as Europe increasingly shifts to domestic production, as supported by policy instruments such as the EU's Security Action for Europe (SAFE) and the European Defence Industry Programme (EDIP), American defence corporations will lose the monopoly on a market that they had cornered for decades. The U.S. mission to the EU in February of 2026 released a statement already teasing their dissatisfaction with the increased conflict that will stem from this competition.

In the long term, for the American defence corporations, this is a loss. For Europeans, establishing defence independence, while momentarily uncomfortable, is ultimately a necessary and wise decision given the threats they currently face and the political uncertainty dominating the global stage. For the American public, who for all its division is increasingly anti-interventionist on both the left and right, Europe's defence independence will be a welcome relief after decades of launching accusations of "freeloading".

The Ankara Summit was not groundbreaking, but following a year of significant transatlantic tension, a recommitment to Article 5 and a semblance of a united front should be considered a victory. NATO's new mechanisms and the minilateral maneuvering of Allies demonstrate that the Alliance has finally recognised the reality of its situation and is working to correct it. The concrete commitments made in Ankara should be momentarily reassuring; though whether or not the Alliance can manage the coming conflicts accompanying them is a matter that will be watched from both sides of the Atlantic with great interest.

After Ankara: How Should Europeans Organise Their Deterrence?

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While a new transatlantic spat was avoided and Europeans are stepping up, the Summit did not answer key questions about the transition away from U.S.-led deterrence.

The 2026 NATO Summit in Ankara started with tensions and ended on a friendlier note. President Trump began his pre-Summit news conference by chastising Allies who did not participate in the U.S. war effort against Iran and reiterating the claim that the U.S. should control Greenland. The remarks triggered some harsh responses from European leaders.

But these tensions remained in the press room. During the closed-door session, no serious disagreement emerged. The final declaration, short and comparable to the one from one year ago in The Hague, was generally positive.¹ It highlighted European and Canadian contributions to NATO's rebalancing, under the slogan of "a stronger Europe in a stronger NATO" and reiterated allied unity and commitment to Article 5. The parallel Defence Industry Forum showcased more than 50 billion EUR in agreements as evidence of the transition from pledges to actual capabilities.² Notable examples include the replacement of NATO's Boeing E-3 Sentry AWACS fleet with SAAB's GlobalEye, the order of a new fleet of Airbus A400M military aircraft, and a new initiative to build a deep-precision strike capability led by the UK.³ Ukraine was also a winner from the summit: President Zelensky received new support pledges from Allies and Trump's authorisation to produce Patriot interceptors on Ukrainian soil.

However, beyond the headlines, the summit has not changed the fundamental trends in transatlantic security, nor the dilemmas that European countries will need to face.

U.S. commitments to European deterrence, while

reaffirmed in the NATO declaration, look increasingly unreliable. Future political tensions could put them in question once again. Just in the past few months, transatlantic disagreements over Iran led the Pentagon to cancel the deployment of capabilities like long-range missiles and to withdraw troops from Germany and Poland (although the latter was reversed). For now, Trump seems to be happy about NATO's advances. However, an equilibrium that is based on the whims of the president is not exactly a solid basis for the future.

European countries are stepping up, taking over an increasing number of functions within NATO's command structure to replace U.S. assets that are being withdrawn.⁴ However, Europeans are focused only on replacing U.S. forces, without imagining whether they should make some changes to the way they would fight without American leadership. Moreover, the open-ended process of U.S. changes – which now includes a post-Iran posture review of U.S. presence in Europe – makes it more difficult to plan.

Europeans need to consider all aspects of deterrence. Emphasis so far has been on increasing defence spending and industrial production to compensate for a reduced U.S. role. The conflict over Iran justifies this emphasis: U.S. weapons supplies to Europe, including Ukraine, have fallen sharply, increasing the need for intra-European production. Yet, U.S. forces perform other key functions, from nuclear deterrence to force integration and command of large units, which are essential to enabling most of NATO's regional plans.⁵ Should that component become less reliable, how would Europeans organise their defence and operational planning?

Right now, the organisation of European defence is still centred around a U.S.-led core. The NATO Defence Planning Process (NDPP) remains the cornerstone of defence planning in Europe – as there are no comparable mechanisms in the EU or elsewhere. The NDPP assigns capability targets to individual Allies based on the overall aims and objectives needed to ensure deterrence. The next Political Guidance, the first step of the NDPP cycle which identifies the overall aims and objectives, will be issued in 2027. It will be the

¹ <https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2026/07/08/the-ankara-summit-declaration>

² <https://www.nato.int/en/news-and-events/events/event-programmes/2026/07/2026-ankara-nsdif>

³ <https://www.gov.uk/government/news/50bn-boost-for-european-deep-precision-strike-capabilities-as-uk-leads-new-initiative>

⁴ <https://www.nato.int/en/news-and-events/articles/news/2026/02/06/euro-pean-allies-to-take-on-new-leadership-roles-in-natos-command-structure>

⁵ <https://www.iss.europa.eu/publications/chailot-papers/defending-europe-detering-russia-resources-readiness-and-resolve>

first to be fully informed by the debate over burden-shifting that has emerged under Trump 2.0. However, at present the NDPP assumes that the U.S. will still provide a key component of deterrence, especially in command-and-control and force integration, and that therefore Europeans should focus on other areas. This expectation is at odds with the reality, but it remains uncertain how much NATO, where the U.S. is a member, will question these assumptions. If this is not addressed, potential deterrence gaps will emerge.

A second issue concerns operational planning. When the U.S. decided to withdraw contributions to the NATO Force Model (NFM), including one third of its airpower, NATO Allies were quick to fill the gaps.⁶ But again, this only refers to assets, not to the hard-to-replace functions that U.S. forces provide to NATO, from force readiness and all-theatre intelligence to operational tempo. Simply replacing capabilities one-for-one (when possible) does not solve those problems. The ways that operations are planned and carried out will also need to be rethought.⁷

Hence, after the Ankara summit, the biggest gap might be at the level of leadership. While NATO remains the central framework to organise the deterrence and defence of Europe, European countries need to take a more comprehensive role that goes beyond simply replacing U.S. capabilities. At the EUISS, we recently suggested some ways to do so, such as reviving the Eurogroup, strengthening the E5 formats, closely coordinating decisions within NATO with funding opportunities such as EU instruments, and integrating Ukraine's lessons as much as possible.⁸

This effort will not be easy and may create new frictions. European countries are likely to disagree on how deterrence should be organised – especially when it comes to issues of nuclear deterrence or long-range strike decisions. U.S. leadership has often enabled Europeans to overcome their differences, leading, for instance, to NATO's pre-authorised packages, which allow SACEUR to take certain actions without the approval of the North Atlantic Council.⁹

If the U.S. is not in the lead, these debates are likely to resurface – and if they do, they should not hamper the process of capability development. Yet, these strategic discussions will need to take place if Europe is to fully take the lead. Just being complacent about the agreements in Ankara will not be enough.

NATO and the South in an Era of Capriciousness

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“Strategic competition is rising, terrorism is a persistent threat to NATO, and our southern neighbourhood is volatile.” This was Secretary-General Mark Rutte's own assessment in March 2026, in his annual report on the Alliance's activities over the previous year. On the road to the summit in Ankara, however, it was fair to question how much these words would actually weigh or be considered in NATO's collective deliberations. Indeed, a year ago, a case could be made that the South risked being pulled indefinitely from the centre of NATO's attention given its complete absence from The Hague final declaration or the leaders' overall focus.

Still, to a certain extent, the Southern agenda continued to advance, even if largely outside the political spotlight. Following NATO's 2022 Strategic Concept and the 2023 Vilnius communiqué – which defined the southern neighbourhood as broadly encompassing the Middle East, North Africa, and the Sahel, where unaddressed challenges could create ideal conditions for the proliferation of non-state armed groups and facilitate the interference of strategic competitors – as well as the 2024 Washington summit, which endorsed the Southern Neighbourhood Action Plan (SNAP), the Alliance did take further steps in 2025. In May, NATO convened its first Southern Neighbourhood Security Dialogue in Naples, which led to a new NATO-Southern Neighbourhood Partners' Agenda covering counterterrorism, cyber defence, maritime security, disinformation, arms control, and climate-security links. The following September, NATO also formally opened the long-awaited Liaison Office in Amman, Jordan.

⁶ <https://www.politico.eu/article/europe-replaced-most-forces-us-removed-nato-mark-rutte-says/>

⁷ <https://www.iiss.org/online-analysis/survival-online/2026/06/a-european-way-of-war-without-the-united-states/>

⁸ <https://www.iiss.europa.eu/publications/commentary/after-nato-summit-road-european-leadership-defence>

⁹ <https://www.nato.int/en/about-us/organization/nato-structure/supreme-allied-commander-europe-saceur>

None of this amounted to a significant strategic reorientation, but it did contribute to keeping the South on the Alliance's map. Yet these gradual advances were also rapidly overtaken by the course of events. Few anticipated that the months preceding the Ankara Summit would be dominated by a sharp deterioration of the regional security environment centred on Iran. In March 2026, NATO-linked air defences intercepted ballistic missiles over Turkish airspace that Ankara attributed to Iran, one of which exploded near Incirlik Air Base; that same month, drones launched from Lebanon struck a British base on Cyprus. NATO responded by deploying an additional Patriot battery to Adana, while the early-warning radar at Kürecik took on added significance for both Turkish and southeastern European defence. As a consequence, the NATO Mission in Iraq (NMI) was temporarily withdrawn. In a matter of weeks, the South had inserted itself squarely into NATO's own threat calculus.

Expectations heading into Ankara nevertheless remained tempered. Türkiye, hosting its first summit since Istanbul in 2004 – the very same gathering that led to the creation of the Istanbul Cooperation Initiative (ICI), one of NATO's two main outreach initiatives towards the South – was widely expected to use its convening role to try and deepen cooperation with the Gulf. Yet the bulk of pre-summit attention was consumed elsewhere, namely by the U.S. administration's push for the newly coined "NATO 3.0": an Alliance returning to "factory settings", paring back overseas partnerships and operations, and pressing European Allies to take ownership of their own defence. In other words, the South had to compete not only with Russia, Ukraine, and the 5% spending pledges agreed on The Hague in 2025, but with the ever-consuming argument over what kind of Alliance NATO should even transform into.

Against this background, the Ankara Declaration ultimately delivered more on the Southern dimension than many had anticipated. While avoiding any fundamental strategic overhaul, Allies reaffirmed their commitment to NATO's "360-degree approach to deterrence and defence", named the "persistent threat of terrorism" alongside the long-term threat posed by Russia, and recognised that "strategic competition, pervasive instability, hybrid threats, and recurrent shocks" continue to shape the Alliance's "broader security environment". Significantly, the declaration

also introduced a direct reference to Iran, reaffirming that Tehran must never acquire nuclear weapons while calling for the preservation of freedom of navigation through the Strait of Hormuz. In parallel, Allied foreign ministers met with partners from Bahrain, Kuwait, Qatar, and the United Arab Emirates, while also launching a new set of ICI Flagship Projects on maritime security, countering uncrewed aerial systems, CBRN defence, and counterterrorism.

Still, the full reach of these developments requires proper framing. The South earned its place in Ankara less through sustained diplomatic investment than through the direct attacks on the territory of Member States. Notably, Allies did not break new ground on substance regarding Iran as the declaration explicitly "reiterates" a red line and a freedom-of-navigation principle that have underpinned Western policy on Iran for years. Libya, the Sahel, and the compounding effects of Gaza on any attempt to build durable partnerships across the region also remained effectively unaddressed, exactly as they were a year ago.

The final declaratory outcomes need, therefore, to be read alongside NATO's larger problems. The same summit that produced a firmer line on Iran also featured a U.S. president devoting his public airtime to Greenland and to grievances over Allies' support during the Iran war. Meanwhile, the Alliance's own institutional direction – how far "NATO 3.0" will actually curtail partnerships, how quickly U.S. force posture in Europe will change – remains unsettled. In that context, a genuine Southern focus will continue to require the kind of low-key, cross-cycle political consensus the Alliance has struggled to sustain even on its own core priorities.

Looking ahead, the list of unresolved issues is extensive: securing maritime and undersea infrastructure that increasingly stretches into the Mediterranean and beyond; addressing the ramifications of instability in Libya and across the Sahel; and reconciling the pull of Middle Eastern crises with Allies' inability to agree on how Iran should shape engagement with the region's partners, including with regard to the future of NMI. None of it will be resolved by declaratory language alone, and all of it will continue to compete for the same scarce commodity: continuing Allied attention. The scope of what NATO can ultimately pursue in the South will remain, as ever, bound by the level of political

consensus Allies are prepared to bring to the table, and that consensus is now contingent on the Alliance's own capriciousness about its future. Until NATO settles what it is for, a more meaningful focus on the South will just keep depending on whichever crisis of the week happens to break through the noise.



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