

75 years of NATO: strengthening transatlantic defence industrial cooperation to counter 21st-century threats

With the 2024 Washington NATO Summit celebrating 75 years of transatlantic partnership, NATO allies need to once again come together to address the pressing geopolitical challenges of our time. In light of escalating Russian aggression against Ukraine and the threat of enhanced Russian military capabilities, the summit provides a critical forum for leaders from all 32 NATO allies and their international partners to **strengthen their collective defence plans and increase burden sharing**. Together with the private sector, NATO must ensure that the alliance is fit for the future and can maintain its role as a cornerstone of transatlantic security and defence cooperation. To achieve these aims, the allies must prioritise:

1. Increasing budgetary commitments and coordination among member states

The current geopolitical landscape demands a robust and unified NATO. To achieve this, each NATO member must **increase its budget contributions** to reflect a stronger commitment to collective defence. Currently, only 23 NATO allies surpass the minimum defence spending target of 2% of their gross domestic product. While this is a significant increase from ten years ago, a greater budgetary commitment from all member states will enable NATO allies to better face emerging threats and maintain the integrity of the alliance.

Additionally, bilateral defence agreements should transition to a **multinational framework**, fostering greater cooperation and coordination among all member states. By moving towards a more harmonised defence framework, NATO allies can strengthen their collective security and enhance deterrence.

2. Boosting cooperation with industry

The private sector plays a pivotal role in developing and producing the military capabilities necessary to address today's security threats, including cybersecurity, hybrid warfare and emerging technologies. **Investment in research and development (R&D)**, particularly in critical infrastructure and cutting-edge technology, is paramount for maintaining NATO's security. The alliance must increase **public-private cooperation** and promote **transatlantic collaboration among industry** players from like-minded nations.

Multinational, multi-year procurement encourages long-term contracts and R&D funding for defence contractors, whilst simultaneously leveraging economies of scale, increasing bargaining power and enhancing standardisation and interoperability. Key initiatives such as NATO's Aggregating Demand initiative, the UK's Multinational Procurement Initiative, the Czech Republic's Munitions Initiative, the NATO Support and Procurement Agency's Support Partnerships and Germany's Sky Shield Initiative exemplify the value of multinational procurement in strengthening the alliance.

NATO and its partners must also do more to enhance transatlantic industrial cooperation to meet shared security challenges. **Strategic autonomy and transatlantic collaboration are mutually reinforcing**, promoting competitiveness, innovation and capacity. Leveraging new and existing avenues to advance supply chain resilience with like-minded countries is essential. Transatlantic cooperation in defence industry development enhances capabilities and empowers allied defence industrial bases.

3. Creating a positive environment: society, skills, workforce, and financing

To ensure the long-term effectiveness of NATO, it is critical to **invest in the future and create a positive narrative** that emphasises the societal value of a more capable security and defence provider. Attracting younger

generations to careers in defence policy and industry is vital. NATO allies must invest in targeted initiatives to make these fields appealing and **accessible to new talent**. Equally critical is **facilitating access to finance for small and medium-sized enterprises and smaller industry players**. Ensuring these entities can secure funding and insurance will enable them to invest in strengthening the defence industrial base of alliance members, thus enhancing collective security capabilities. By promoting a more positive environment and encouraging progress in these critical areas, NATO can ensure a multifaceted stream of societal preparedness, skilled professionals and a resilient industrial base, allowing the alliance to remain strong and adaptable in the face of future challenges.

4. Increasing EU-NATO cooperation

Strengthening cooperation between the EU and NATO is essential to ensure alignment on priorities, interoperability and **standardisation processes**. NATO should remain the key security actor in the region, leading and coordinating all the allies' efforts on standardisation and interoperability. The EU, must play a key role as a vital supporter and contributor to NATO's security and defence efforts. Enhanced EU-NATO cooperation will lead to more efficient and effective defence strategies build on their respective strengths.

The upcoming NATO summit offers an opportunity for the alliance to reflect on past achievements, while taking the necessary steps needed to reinforce shared commitments to collective defence and ensure that the organisation can remain relevant also for the next 75 years. We remain committed to supporting these initiatives and encourage all NATO allies to embrace these recommendations. By working together, the public and private sectors can ensure that NATO remains a strong and resilient force for peace and security in an increasingly complex world.