

# Strengthening the European Pillar of NATO

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## **Recognising:**

- The United States's current defence spending accounts for approximately 68% of NATO's overall defence expenditure.
- This year, the combined defence spending of all European NATO member states will be \$380bn. This represents 2% of the GDP of all European NATO members combined.
- This year, the U.S. will spend \$841.4bn on defence, representing 2.9% of U.S. GDP.
- In addition to being the largest spender in NATO, the U.S. military is well-acknowledged by defence analysts to be fully self-sufficient in all areas, while European militaries are heavily reliant on the U.S. for critical logistical support, combat service support, and air power in particular.
- The U.S. defence industry has a far greater production capacity than the European defence industry.
- The European defence industry is heavily diversified between different countries, and European defence companies produce a much greater number of systems in the same capability areas than their U.S. counterparts.
- The European defence industry is still dominated by national champions who primarily compete rather than collaborate with their European peers.
- On the 24th of February 2022, the Russian military, under direct orders from President Vladimir Putin, launched a full-scale invasion of Ukraine.
- In two years of intense warfare, Russia has inflicted incredible suffering on the Ukrainian people, committed war crimes on a massive scale, violated Ukraine's territorial sovereignty, and shown complete disregard for international norms, law, and basic humanity. It has also persistently issued reckless vague threats of nuclear conflict towards NATO as a strategy to blackmail Western countries into not providing enhanced support for Kyiv.
- As of January 2024, the EU and the United States together have provided just over €156bn in military, humanitarian, and financial aid to Ukraine, with the U.S. providing €71.4bn and the EU providing €84.8bn.
- The U.S. is currently the largest donor of military aid to Ukraine by a substantial margin, contributing €43.9bn to date compared to €5.6bn from the EU, €17.13bn from Germany, and €6.5bn from the UK.

- If Ukraine is defeated by Russia, then the frontline will move closer to NATO and all member states will face a greater threat.

### **Acknowledging:**

- The last three U.S. presidential administrations have all been clear and consistent in their message to European NATO allies that they must take more responsibility for their own defence. While the style and method of communicating this message has varied between these administrations, it is clear that since the election of President Barack Obama in 2008, the U.S. has wanted Europe to become the strategic leader in the European theatre of NATO.
- There is a clear bipartisan consensus in the U.S. for a so-called 'Indo-Pacific tilt' in U.S. foreign policy. The practical meaning of this is that the U.S. wants to and will divert military formations and resources away from Europe to the Indo-Pacific in order to counter the growing threat from China. The U.S. would like Europe to assist with this by filling the gap that a reduction in U.S. military support would leave.
- A reduction in the U.S. military presence in Europe, and a corresponding increase in European military capabilities, would not mean that the U.S. will not remain the ultimate security guarantor for European NATO member states. Rather, it simply means it will move from a lead role to a support role in Europe.
- The recent election in November 2024 of President Donald Trump adds great urgency to the need for Europe to step up in defence. The previous Trump administration withdrew small numbers of U.S. troops from Europe and Trump has clearly expressed his preference to increase these withdrawals in his second term. Trump has also recently undermined Article Five of NATO by calling into question whether he would defend a European NATO member state if it was attacked by Russia.
- There is a limited supply of critical explosives in Europe, such as gunpowder, TNT, and nitrocellulose, all critical for shell production.
- The European defence industry is plagued by structural weaknesses, including insufficient innovation, fragmented governance, dependency on international supply chains, and inefficient public spending.
- Production capabilities in the European defence sector remain critically low due to decades of chronic underfunding and an overreliance on the U.S., as well as a peacetime production model.
- The European defence industry encounters severe challenges in securing financing, particularly from private investors,
- The demand within the European defence sector is fragmented, as it is predominantly driven by national governments, causing companies to operate in limited, often inefficient markets.

- The European defence sector is currently unable to meet the required production levels of artillery ammunition and deliver on pledges to Ukraine within the expected timeframe.
- A substantial portion of European Union defence expenditure flows to the United States rather than being invested in member states.
- The current regime of Russian President Vladimir Putin is aggressive, ultra-nationalist, and revisionist. In Ukraine, it is seeking to turn back the clock on the collapse of the Russian/Soviet Empire as well as adopting more and more threatening rhetoric and military postures towards European NATO states.
- If Putin succeeds in Ukraine, then it is highly likely he will be emboldened to continue his expansionist policies in countries such as Moldova and Georgia, or possibly even an East European NATO member state.
- Europe must respond to the increased Russian threat by strengthening its military deterrence and readiness, both in conventional and nuclear forces.
- It is critical for young people in Europe to play an integral part in remaking our continent's defence policy. It is overwhelming young Ukrainians who are paying the heaviest price in the defence of their country. Equally, should Europe fail to deter Russia and other adversaries, it will be young Europeans who will be called on to make the ultimate sacrifice. YEPP believes passionately that peace is not achieved through appeasement, but through strength.

#### **YEPP calls on:**

1. All European members of NATO to urgently increase their defence spending to a minimum of 3% of GDP by 2030, and to closely coordinate their capability procurement to minimise duplication and ensure maximum military effectiveness to counter the threat from Russia.
2. All EU member states to substantially increase their military aid to Ukraine within their capacities, and NATO militaries to begin providing non-combat support within Ukraine to the Ukrainian Military such as training, logistics support, military advisers, rearguard security, and border security in non-frontline areas. NATO to also consider directly providing ground-based air defence of Ukrainian cities, critical infrastructure, and energy supplies.
3. European states currently supplying Ukraine with long-range missiles, such as the UK and France, to lift all targeting restrictions on the use of these missiles. YEPP also calls on the German Government to supply Ukraine with Taurus cruise missiles without targeting restrictions within the rules of international law.
4. European NATO allies to work towards developing an independent European nuclear deterrent by assisting in the funding of France and the UK's nuclear weapons capabilities so that they can be expanded, modernised, and made more interoperable. France and the UK in return to make clear that their nuclear umbrella extends to all of NATO.
5. The European Commission to develop a unified European Defence Market to enhance cooperation and efficiency in defence procurement.
6. The European Commission to enhance funding mechanisms for dual-use goods and infrastructure, ensuring the inclusion of defence companies

producing essential military hardware such as ammunition and tanks, which are currently underserved by existing funding adjustments.

7. The European Commission to work to develop an instrument for the EU to act as a guarantor for member states' defence contracts so that governments can sign longer contracts, and defence manufacturers can have the confidence to invest in new and expanded production capacities. Also, helping to reduce the dependency of states on non-European suppliers and boosting the European economy.
8. The European Commission to streamline access to financing for European defence companies, ensuring they can invest in innovation and maintain a competitive edge in global defence markets. The Commission also to greater support collaborative research and development initiatives between European defence firms, fostering joint projects that enhance the EU's technological and strategic capabilities.
9. The European Commission and European Council to fully implement and complete the European Defence Industrial Strategy, ensuring that the EU creates a robust and integrated defence industry.
10. All European militaries to integrate cutting-edge innovations, in particular uncrewed systems and AI, into their operational capabilities, improving effectiveness, readiness, and technological superiority.
11. The European Parliament to ensure there is clear accountability for the European Defence Commissioner, including a 100-day review to assess progress and alignment with EU defence goals.
12. European NATO and EU member states to explore methods of boosting the number of personnel in their militaries with non-professional personnel. Such methods can include significantly expanding the size of volunteer reserve units, compulsory national service, optional national service, and the Norwegian model of limited compulsory national service.
13. The European Union to fully implement all the recommendations of the Niinistö Report, in particular the establishment of a European foreign intelligence agency.
14. EU and European NATO member states to form 'coalitions of the willing' to provide increased support to Ukraine, and strengthen the European pillar of NATO, if one or a small number of members use their veto powers to block such actions from being formally conducted by the EU/NATO.
15. The European Commission to increase funding for STEM education in member states in order to build a larger skilled workforce for the defence and space sectors.
16. NATO to work for a permanent allied presence, joint command structure and military exercises in the northern regions.