

## NATO summit in The Hague: Trump's return and a two-component 5% of GDP on defence

Piotr Szymański, cooperation: Justyna Gotkowska

The NATO summit in The Hague (24–25 June) – the first chaired by new Secretary General Mark Rutte – was minimalist in both form and content. It concluded with a record-low five-point declaration. This approach to a meeting of NATO heads of state and government was intended to avoid divergences and contentious issues between the European allies and Canada on the one hand, and the new US administration under Donald Trump on the other. The summit focused primarily on outlining an unprecedented increase in defence spending by member states, with a new target of 5% of GDP by 2035 (3.5% on core military expenditure and 1.5% for other defence-related needs), in response to demands voiced by the US president. The credibility of allied deterrence and defence will depend on the fulfilment of this commitment (particularly by the 'old NATO' countries).

At The Hague, less emphasis than at previous summits was placed on the threat posed by Russia, NATO's open-door policy towards Ukraine, and the need to develop cooperation with NATO's Indo-Pacific partners (South Korea, Japan, Australia, and New Zealand). This shift was largely due to pressure from the US administration to pursue negotiations with the Russian Federation aimed at ending the war in Ukraine, Russia's opposition to NATO membership for Ukraine, and likely a reluctance to link the two theatres of operation, namely Europe and the Indo-Pacific.

Despite concerns about President Trump's attitude towards NATO, the summit proceeded surprisingly smoothly. However, the next major test for transatlantic security relations will come with the US Department of Defence's decisions regarding America's military presence in Europe, expected this autumn.

### Managing Trump

The summit in The Hague was preceded by tensions in transatlantic relations, stemming in part from uncertainty over the future of the United States' military presence in Europe, pressure from the Trump administration on Kyiv and its talks with Moscow, hostile rhetoric directed at Canada, pressure on Denmark with regard to Greenland, and America's trade policy. To minimise the risk of friction, the event's programme was deliberately scaled back, and the European allies and Canada ultimately responded positively to the US administration's strong calls for increased defence spending, ensuring



that the summit would be perceived as a success for Washington. A similar tactic had already been employed during Trump's first term – the declaration from the 2019 London summit contained only nine points. The situation in the Middle East – namely, Israel's military attack on Iran, US strikes on Iranian nuclear installations, and Trump's calls for a ceasefire between Israel and Iran – also cast a shadow over the discussions in The Hague.

Despite initial concerns about the course of the summit and speculation over the possibility that the United States might significantly reduce its involvement in NATO,

**” Despite initial concerns about the course of the summit, the Hague Declaration included a key assurance for Europe: a reaffirmation of the allied commitment to Article 5.**

the Hague Summit Declaration included a key assurance for Europe: a reaffirmation of the allied commitment to Article 5. In addition, prior to the summit, the United States nominated – and the North Atlantic Council approved – a new Supreme Allied Commander Europe (SACEUR), countering earlier reports that the Trump administration was considering leaving fulfilment of the post to the European allies. The role will be assumed by US Air Force Lt. Gen. Alexis Gregory Grynkewich, currently Director for Operations (J3) at the Joint Staff.<sup>1</sup> Current military cooperation between Washington and its European allies, both within NATO and on a bilateral basis, is proceeding as usual. However, it is overshadowed by the ongoing Global Posture Review being conducted by the US Department of Defence, which is expected to conclude in early autumn 2025.<sup>2</sup> This review will likely result in a reduction of the US military presence in Europe.

### Difficult art of compromise and a two-component 5% spending target

The new defence spending target proposed by the secretary general and approved by the North Atlantic Council is the result of a compromise between US pressure, the political and financial capacities of European allies, and the requirements stemming from NATO's defence planning and the need to rebuild military capabilities that were excessively reduced after the Cold War. At The Hague, the NATO members committed to increasing defence expenditure to 5% of GDP within the next decade, that is by 2035.<sup>3</sup> Core defence spending is to account for 3.5% of GDP, calculated according to NATO's current flexible methodology.<sup>4</sup> This will be supplemented by 1.5% of GDP allocated to other defence-related objectives. These may include investments in the dual-use infrastructure vital for military planning, the protection of critical infrastructure, cybersecurity, the expansion of the arms industry, civil defence, and national resilience. At the same time, allies were obliged to present credible plans for reaching the 5% target, including a breakdown of annual spending increases. This is intended to prevent the situation that happened in the decade from 2014–2024, during which a sharp rise in defence spending occurred only in the final two years, with many countries achieving the goal at the last moment, in 2024.

<sup>1</sup> Grynkewich is a three-star general who previously commanded the air component in the Middle East under CENTCOM. His responsibilities included overseeing airstrikes against the Houthis in Yemen, supporting Israel in responding to Iranian missile attacks, and conducting operations targeting pro-Iranian forces in Syria and Iraq. He began his military career as a pilot of F-16 and F-22 fighter jets. O. Górczyński, 'Jest nowy dowódca sił USA i NATO w Europie', PAP, 5 June 2025, pap.pl.

<sup>2</sup> 'Digital Press Briefing: U.S. Permanent Representative to NATO Ambassador Matthew Whitaker', US Department of State, 23 June 2025, state.gov.

<sup>3</sup> The previous target called for increasing defence spending to 2% of GDP in 2014–2024. 23 members managed to achieve it in this time frame.

<sup>4</sup> The NATO rule for accounting for defence expenditure is more liberal than those used in national budgets. This results in differences between the figures reported in budget bills of the member states and those submitted in NATO reports. For example, in some cases NATO allows the inclusion of funding for other armed law enforcement formations, which are typically under the authority of interior ministries. The NATO accounting standard also includes military and civilian defence-sector pensions, the costs of storing wartime reserves, certain services (such as meteorological support), participation in peacekeeping and humanitarian missions, research and development activities, and the expenditure on common NATO infrastructure.

The structure of the new defence financing commitment made it easier to secure political support among member states. Reaching the 3.5% of GDP target will require a significant increase in spending for many of the 'old NATO' countries, but this increase is spread over a decade – well beyond current parliamentary terms and budgetary frameworks. Meanwhile, the additional 1.5% of GDP allocated to defence-related expenditure allows governments to account for investments that fall outside the remit of their defence ministries. Achieving this second target will be easier for countries with advanced civil defence systems (such as the Nordic states) and for eastern flank allies that are implementing or planning major dual-use infrastructure investments (airports, roads, bridges, railways, ports). This also applies to countries bordering the North Sea, which host US forces and provide logistical support for them, including Germany, the Netherlands, and Belgium.

Despite baseline agreement among allies on establishing the new defence spending commitment (with Spain being the sole exception)<sup>5</sup>, discussions continued

” **The significant increase in defence spending announced in the Hague is intended to enable allies to achieve new ambitious military capability development targets.**

until the last moment regarding the pace of reaching the 5% of GDP target and the definition of expenditure eligible under the additional 1.5% of GDP. The Baltic states, which are most exposed to the threat of Russian aggression, advocated for a 2030 deadline and declared they would already reach the target next year. The NATO Secretary General had initially proposed 2032. However, most allies favoured a later deadline – 2035 – referring to the previous practice of reaching the 2% target within a decade. Even so, implementation of the commitment is expected to face political and financial challenges in many of the member countries, likely resulting in delays. Already, criticism is being voiced by opposition parties, experts, and the media. Concerns include the lack of parliamentary consultation over such a substantial increase in defence spending, and the perceived unrealistic nature of the 5% goal given current budgetary and fiscal constraints.

## The European NATO pillar, or new military capability development goals

The significant increase in defence spending announced in The Hague is intended to enable the allies to achieve ambitious military capability targets within the NATO Defence Planning Process (NDPP). These were agreed by NATO defence ministers on 5 June. This marks the culmination of a groundbreaking four-year NDPP planning cycle launched in 2023.<sup>6</sup> Its aim is to ensure adequate forces and capabilities for the regional defence plans adopted at the NATO summit in Vilnius, as well as for the New NATO Force Model.<sup>7</sup> National capability packages are divided into short-term (0–6 years) and medium-term (7–19 years) goals. Although these are not public, statements by the secretary general and defence ministers provide hints about the scale of required investment and existing shortages in weapons, equipment and military personnel. For example, Germany needs to recruit an additional 50,000–60,000 professional soldiers. In addition to air defence, particularly urgent investments include long-range artillery systems, logistics, communications, ISTAR (intelligence, surveillance, target acquisition and reconnaissance), and the armoured component of land forces. Media leaks confirm this, indicating that the volume of equipment and capabilities in various categories has to increase by

<sup>5</sup> Prime Minister Pedro Sánchez announced that Madrid is not going to spend 5% of its GDP on defence and is capable of meeting its NATO commitments at 2.1% of GDP.

<sup>6</sup> Under the NDPP, NATO members identify the necessary capabilities across 14 domains and coordinate their implementation and acquisition. These are: air and missile defence, aviation planning, armaments, civil preparedness, command and control, cyber defence, force planning, intelligence, logistics, medical, nuclear deterrence, resources, science and technology, and standardisation and interoperability. The NDPP cycle lasts four years and consists of five steps: (1) establish political guidance, (2) determine requirements, (3) apportion requirements and set targets for individual states, followed by (4) facilitate implementation, and (5) review results.

<sup>7</sup> R. Pszczel, P. Szymański, 'Washington Summit – NATO's anniversary in the shadow of the war', *OSW Commentary*, no. 611, 12 July 2024, [osw.waw.pl](https://osw.waw.pl).

an average of 30% (in the case of ground-based air defence systems, even fivefold), and that NATO requires an additional 49 brigades, 14 divisions, and nine corps.<sup>8</sup> For the first time, the new capability development targets include the Arctic, not just the European High North.

The starting point itself for implementing national capability packages within the NDPP, places the European allies and Canada in a difficult position. The targets

” **The new capability targets, as well as NATO’s military support to Ukraine, require a significant increase in investment in the European defence industry.**

from previous planning cycles have not been achieved in some areas. The Allied Command Transformation reported that the inherited capability gap stands at 30%. According to the secretary general, the United States currently provides 44% of NATO’s military capabilities – still a significant shift compared to previous years, when the imbalance to Europe’s disadvantage was even greater. As a result of new investments and the development of military capabilities in the coming years, this ratio is expected to shift to 30% (US) and 70% (Europe and Canada).<sup>9</sup> Thus, the creation of a European pillar within NATO has been embedded in the Alliance’s defence planning process since 2023.

### Catching up in the arms industry

The new military capability guidelines, as well as the need to support Ukraine, require a significant increase in investment in the European defence industry. NATO members committed to this already at last year’s summit in Washington, and in The Hague the issue was brought to the forefront. In the short term, unmanned aerial vehicles (UAVs), counter-UAVs systems, and artillery munitions for Kyiv are of key importance. The NATO Secretary General is also encouraging allies to place orders and invest directly in the Ukrainian arms industry, following the so-called Danish model. The possibility of including this spending (for example the construction of production lines or new facilities) in the 1.5% of GDP supplementary defence-related NATO expenditure is a key decision in terms of incentivising governments to stimulate the defence sector.

From the perspective of the United States and other NATO member states that are not part of the EU, it was salient that the Hague Summit Declaration placed particular emphasis on the need to rapidly develop ‘transatlantic’ cooperation between defence industries and to intensify efforts to remove barriers to the purchase of armament and military equipment among allies. The context for this is shaped by the EU’s increasing support for expanding the European defence industry and US concerns over protectionist tendencies in this area, particularly the promotion of the ‘Buy European’ principle. Between 2020 and 2024, 64% of armament and military equipment imported by European NATO members came from the United States. For the US, the European market accounted for 35% of its arms exports during the same period.<sup>10</sup>

The North Atlantic Council meeting was preceded by a defence industry forum attended by the NATO Secretary General, the President of the European Commission, the President of Ukraine, representatives of NATO’s civilian and military structures, and the defence sector.<sup>11</sup> During this event,

<sup>8</sup> A. Palasciano, ‘NATO to Ask Europe and Canada for 30% Boost in Military Capacity’, Bloomberg, 21 March 2025, bloomberg.com; T. Jungholt, ‘NATO fordert 49 weitere Kampftruppen-Brigaden’, Welt am Sonntag, 6 October 2024, welt.de.

<sup>9</sup> ‘Address by NATO Secretary General Mark Rutte to the NATO Parliamentary Assembly, followed by a moderated conversation’, NATO, 26 May 2025, nato.int.

<sup>10</sup> M. George, K. Djokic, Z. Hussain, P.D. Wezeman, S.T. Wezeman, *Trends in International Arms Transfers, 2024*, Stockholm International Peace Research Institute, March 2025, sipri.org.

<sup>11</sup> The forum included six topical sessions regarding: measures to meet NATO capability needs, ensuring sustainable transatlantic production capacity and supply chains, access to finance, the rapid adoption of innovative solutions, the role of new technologies in countering hybrid threats, including in the protection of critical undersea infrastructure, and NATO and the growing role of the commercial space sector. ‘NATO Summit Defence Industry Forum’, Ministry of Defence of the Netherlands, 24 June 2025, defensie.nl.

NATO unveiled its updated Defence Production Action Plan, adopted in February of this year. The plan outlines eight initiatives across several key areas: aggregating demand, addressing defence industrial challenges, interoperability and standardisation, and the rapid implementation of innovative technologies.<sup>12</sup> Additionally, during the forum, an agreement was signed on joint acquisition, storage, transportation, and the management of stockpiles of minerals essential to the defence industry, such as lithium, titanium, and rare earth metals. This NATO project currently includes Belgium, Canada, Denmark, Germany, Greece, Italy, the Netherlands, Norway, Poland, Sweden, Turkey, and the United Kingdom.<sup>13</sup> Furthermore, in coordination with the industrial sector, NATO has developed a new strategy for cooperation with private space companies and a plan for the accelerated adoption of new defence technologies (Rapid Adoption Action Plan).<sup>14</sup>

## Russia and Ukraine in the background

The summit declaration unequivocally reaffirmed Article 5, and identified Russia as a long-term threat to the Euro-Atlantic area.<sup>15</sup> Additionally, at the meeting of defence ministers on 5 June, NATO adopted an updated strategy for countering hybrid threats (the previous version dates back to 2015). Importantly – and contrary to media speculation – the United States did not initiate a discussion about the reactivation of the NATO–Russia Council.<sup>16</sup> Nevertheless, the US refrained from pushing for stronger declarations against the Kremlin. In this context, the alliance has not developed ‘recommendations on NATO’s strategic approach to Russia’ announced at the 2024 Washington summit, which could have led to the formal termination of the 1997 NATO–Russia Founding Act.<sup>17</sup>

Given the strained relationship with the White House administration, the winding down of US military aid, and the initial reluctance

” **Given its strained relationship with the Donald Trump administration, Ukraine can regard the outcome of the summit as positive.**

of the United States to invite Ukraine to the Hague, Kyiv can regard the outcome of the summit as positive. President Volodymyr Zelensky took part in several meetings, including a discussion with Donald Trump.<sup>18</sup> Although the summit declaration does not include the key wording from last year’s Washington document – namely, the ‘irreversible path to full Euro-Atlantic integration, including NATO membership’ – its omission does not signify a reversal of NATO’s established stance towards Kyiv. This was clearly emphasised by the secretary general and numerous member state leaders. For Ukraine, the third point of the Hague’s declaration is particularly valuable, as it reaffirms the allies’ enduring sovereign commitments to supporting the country, and confirms the continued eligibility of counting military assistance to the Ukrainian armed forces as part of defence spending. This provision will

---

<sup>12</sup> These actions include: the identification of new opportunities for multinational cooperation (including multiyear procurement contracts); building a clearer understanding of defence production and industrial capacity in peacetime, crisis and conflict; the protection of defence-critical supply chains; the continuation of the work of the Defence Industrial Production Board; taking a more systemic approach to defence industrial development; supporting Allied engagements with Industry; conducting dialogue to identify, reduce and eliminate obstacles to the transfer of capabilities and munitions between Allies; improving and streamlining NATO munitions interchangeability regimes. ‘Updated Defence Production Action Plan’, NATO, 24 June 2025, nato.int.

<sup>13</sup> ‘NATO Allies step up multinational capability delivery cooperation’, NATO, 24 June 2025, nato.int.

<sup>14</sup> ‘NATO releases Updated Defence Production Action Plan, Commercial Space Strategy and Rapid Adoption Action Plan’, NATO, 24 June 2025, nato.int.

<sup>15</sup> ‘The Hague Summit Declaration’, NATO, 25 June 2025, nato.int.

<sup>16</sup> The NATO–Russia Council is a consultation mechanism established in 2002, intended to foster understanding and enable joint decision-making and action. It has not been convened since Russia’s full-scale aggression against Ukraine in 2022. ‘NATO–Russia Council’, NATO, 25 July 2024, nato.int.

<sup>17</sup> The Act commits NATO for example to refrain from permanently deploying nuclear weapons and larger conventional forces on the territory of member states that joined the Alliance post-1999. ‘Founding Act’, NATO, 27 May 1997, nato.int.

<sup>18</sup> However, the North Atlantic Council at the level of heads of state and government with the participation of the President of Ukraine did not take place.



encourage European allies to increase their support and to benefit from it during NATO's 'reporting periods' within the roadmap leading up to 2035.

In terms of aid to Ukraine, the allies are fulfilling their commitments made at the 2024 Washington summit. Last year, NATO members pledged €50 billion (€10 billion

more than initially promised) in military support for Kyiv, nearly 60% of which came from Europe and Canada. In the first half of 2025, members (excluding the United States and Hungary) have already pledged an additional €35 billion in support. With US donations running dry and no new deliveries forthcoming, Europe is being compelled to take on a greater share of the burden. However, the current challenges do not so much appear to be financial constraints, but rather the availability of armament and equipment for transfer, and limited production capacity. Since the end of 2024, the NATO Security Assistance and Training for Ukraine (NSATU) initiative has been in operation.<sup>19</sup> It is responsible for coordinating the delivery of weapons, ammunition, and equipment; training Ukrainian soldiers on the territory of member states (including synchronisation with the EU's EUMAM Ukraine training mission); repairing supplied military hardware; and supporting the long-term planning of Ukraine's defence capacity and its interoperability with NATO. NSATU also oversees the logistical hubs handling the aid provided to Kyiv, including – since March 2025 – the main hub in Jasionka, Poland. Under allied arrangements, the United States has withdrawn from providing security for this hub, and it is now being handled on a rotational basis by the European allies (currently Germany and Norway).<sup>20</sup>

” **The agreed increase in defence spending is intended to restore the military capabilities of Europe and Canada in response to threats from Russia and the prospect of a reduced US military presence.**

## Conclusions

1. The agreed increase in defence spending is intended to restore the military capabilities of the European allies and Canada in response to threats from Russia and the prospect of a reduced US military presence in Europe. Implementation of these plans would lead to a strengthening of NATO's European pillar. However, it may prove difficult for some members to reach the 5% of GDP target by 2035. We are more likely to see an increasing divide in Europe's approach to defence and deterrence – a 'two-speed' Europe. The north-eastern flank countries, which are most exposed to potential aggression, are expected to maintain high defence spending; those located further from Russia will likely fall somewhere in the middle; and those in the south-western part of Europe are unlikely to meet NATO's guideline, although they too will increase their spending. Among the European allies,, Poland and Lithuania will exceed the proposed 3.5% of GDP for core defence needs already in 2025 – at the very outset of the ten-year commitment. Latvia, Estonia, Denmark, and Norway will be close to meeting the mark. Much will depend on developments on the Russian–Ukrainian frontline, as well as on the decisions the United States makes this autumn regarding the reduction of its military presence in Europe. If the cuts are substantial, this could spur a faster increase in investment in European security. Conversely, the currently unlikely scenario of a ceasefire in Ukraine and a normalisation of US–Russia relations could undermine the determination of many allies to maintain an upward trajectory in defence spending.

<sup>19</sup> Headquartered in Wiesbaden, NSATU comprises approximately 300 staff officers (out of the originally planned 700). The contingent is predominantly German. Other strongly represented nations include the United States, the United Kingdom, Canada, Poland, Romania, Turkey, Sweden, and France. Three non-NATO countries: Ukraine, Australia, and New Zealand, also have their representatives within the structure.

<sup>20</sup> The Ukraine Defence Contact Group (Ramstein format) continues to operate, although the United States has handed over leadership to the United Kingdom and Germany (US Secretary of Defence Pete Hegseth did not attend the most recent meeting). In addition, nine capability coalitions remain active, focused on bolstering the Ukrainian armed forces.

2. In the coming years, expansion of the defence industry's capacity will be the top priority for the European NATO members. This will determine both the ability to modernise their armed forces and the pace of military aid deliveries to Kyiv. In light of the ongoing Russian aggression and the current US policy, the focus should primarily be on strengthening Ukraine's defensive capabilities through European efforts, rather than merely debating Ukraine's NATO membership.
3. The Trump administration will regard The Hague summit as a success. Amid ongoing US-generated tensions in its interactions with the allies, NATO will serve as a stabilising factor for transatlantic relations. However, the issue of tariffs between the United States and the EU remains unresolved, and transatlantic ties will face a major test in the autumn with the expected decision on a partial reduction of the US military presence in Europe under the US Global Posture Review. Such a move – especially if it affects the eastern flank – will weaken NATO's deterrence against Russia.
4. The Trump administration appears less interested in NATO's involvement in containing China in the Indo-Pacific than its predecessor. The summit declaration contains no references to challenges which China poses to the alliance. In this context, the US may now view NATO's partnership with the AP4 group – developed in recent years – as holding less significance. The US seems to be moving away from the paradigm of two interconnected theatres of operation (the European and the Indo-Pacific), instead focusing on encouraging Europe to take greater responsibility for its own security while redirecting its own (US) attention and forces to the Indo-Pacific in cooperation with its regional partners. Consequently, the European allies, who still see value in such engagement, will likely pursue it bilaterally – through the EU or in other formats.
5. The Hague summit lacked a clearer political reaction to the current urgent challenges and threats, as well as announcements of more decisive measures in these areas. Notable examples include responses to the Russian navy escorting so-called 'shadow fleet' tankers in the Baltic Sea and to Russia's escalation of hybrid activities against allies, and the need to strengthen NATO deterrence in front-line states bordering Russia, particularly Lithuania, Latvia and Estonia. These latter issues, however, are still under discussion within the alliance, though at lower levels of decision-making.
6. NATO also failed to issue a new signal regarding the strengthening of its nuclear deterrence policy. However, it is worth noting that during the summit the United Kingdom announced plans to acquire at least 12 F-35A aircraft capable of carrying tactical nuclear weapons under NATO's nuclear sharing programme, alongside the return of US-made bombs to British territory (B61-12). These decisions reinforce NATO's nuclear deterrence posture and, interestingly, have so far not sparked significant debate within the alliance.