

# Is EU defence ready to secure peace?



JOURNAL

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What was  
once optional  
(...) is now a  
necessity.



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# A Pax Europaea requiring united EU action

By Gaston Moonen

Current global geopolitical developments are extremely disturbing – and perhaps no more so than for generation Z. Twenty years ago, when they were born, around the accession to the EU of many new member states, mostly from eastern Europe, there was a mood of optimism. But the opposite is the case now. I feel for the young generation, not least for my three children, all of whom are 'Zoomers'. They sigh that while the world is screaming for action on global challenges such as climate change, the poverty gap, persistent diseases and demographic developments, the world's policy direction is now dominated by eccentric alpha males in positions of power, in both the public and the private sector. For these men the world is not a place for the rule of law but one where what should prevail is the will of the strong and the powerful.

We are not so used to that in the EU. If there is one thing that characterises the EU, it is the rule of law. Ever since the 1950s, the concept of the rule of law has shaped the development of what Europe is today. But now, unlike the situation 20 years ago, the EU seems to be very much on its own. Its main military security guarantees, based on the post-World War II Transatlantic Alliance, have been considerably bruised, to say the least. In September 2024, when I took up my EU Fellowship at Yale University, it already struck me how little political interest there was around me, even among academics, in what was happening in Europe, and particularly the EU. As one professor put it to me, 'Europe is just a museum.' Reflecting this, any Yale curriculum with 'Europe' in the course title focused mostly on history and culture. In its actions since the start of 2025, the current US administration has formalised and entrenched this lack of interest in Europe's political, economic and military situation. And this month's bellicose 'America First' National Security Strategy gives priority to spheres of influence rather than the rule of law. It labels Europe as no more than a part of the world where democracy is under threat and there is rampant regulatory suffocation. So much for the rule of law. Understandably, this perception is bewildering to many Europeans.

After a first European awakening in 2022, when Russia launched its war of aggression against Ukraine, the EU is therefore facing a second epiphany, with the increasing realisation that we are on our own. And that we have to act and react. Not only politically and economically, but also existentially, by defending the way we live now and everything the EU stands for – from the rule of law and democracy, to equality and human rights, and even our very prosperity. Russia's war on Ukraine and the changes in the White House have forced European leaders, both nationally and at EU level, to rethink their military positions. The situation has been exacerbated by the recent wave of drone and cybersecurity intrusions over and on EU soil. Most political leaders see just one solution for the EU: more solidarity and cooperation on defence issues. Solidarity in an area which has almost always been considered a national prerogative. I say 'almost' because, as Professor Federico Fabbrini explains in his contribution to this Journal (page 7), a European defence community with a supranational set-up was one of the first initiatives of the European Communities in the 1950s. However, the idea of a European army was not ratified by two of the six founding member states, and since then it has only ever been a project for the future.

Today, many politicians, including the three who have contributed to this Journal – Commissioner Andrius Kubilius (page 12), Marie-Agnes Strack-Zimmermann MEP, who chairs the European Parliament's Defence Committee (page 79), and the Danish Deputy Prime Minister and Minister of Defence Troel Lund Poulsen (page 23) – are calling for more solidarity and mutual support on defence among EU member states and citizens. But that solidarity should build on NATO as its backbone, rather than setting up a new overlapping EU defence structure that would take years to create.

Complementarity with NATO is also the first principle mentioned by NATO experts General Sławomir Wojciechowski and Colonel Jacek Czubak (page 27). But they also plead for 'societal resilience' in the EU against invasive security threats. This relates directly to the change in political mindset that both political leaders in the member states and EU citizens need to adopt to deal with what Lund Poulsen, the Danish Minister of Defence, calls 'an acute and growing threat'. Former NATO diplomat Robert Pszczel remarks that

Europe's (and the EU's) 'strategic holiday' is over, and the scene is now set for action (page 100). But in what form? Commissioner Kubilius stresses that the EU's future defence spending – just 1% of member states' total planned defence spending – and action are intended merely to facilitate national activities in the areas of procurement and addressing fragmentation in the bloc's military industry. François Arbault, from DG DEFIS at the European Commission (page 18), and Lieutenant-General André Denk, from the European Defence Agency (page 30), explain what their organisations are doing to put this facilitation into practice.

But do all these efforts lead to tangible results when it comes to defence readiness? Which raises another question – how to test defence readiness? Numbers count, but they do not give the full picture. And even then, how can reliable data be obtained about activities which are often classified? Many think tanks, researchers and evaluators use data and analysis from the Stockholm International Peace Research Institute (SIPRI), and here two SIPRI experts describe (page 93) how they do their work. While military spending may be surging, this does not mean that European army systems are increasing in proportion, as Luigi Scazzieri of the EU Institute for Security Studies explains (page 89). Jan Joel Andersson of the Swedish Ministry of Defence argues that not all common procurement pays off as intended, and explains in detail which countries collaborate to buy weaponry, and how (page 84).

Clear information on spending is very relevant for those who have to assess whether there is 'bang for the buck', to borrow the expression used by a US Defence Secretary in 1954, at a time when the Transatlantic Alliance was blooming instead of decaying. Radek Visinger, Member of the International Board of Auditors of NATO, is sceptical about whether assessments are always possible, given the current focus on input targets, the audit challenges of verifying NATO spending data, and strict confidentiality requirements (page 57). The ECA has also faced particular challenges in its recent audit work on EU defence actions, as ECA Member Marek Opiła, his collaborators Kinga Wiśniewska-Danek and Bernard Witkos, and ECA director Bertrand Albugues discuss when explaining how the ECA is intensifying its audit efforts in this policy area (pages 35, 43 and 51). Joël Constantzer takes us into the details of a recent ECA audit on EU military mobility, which identified various physical and logistical obstacles to moving military equipment around the EU (page 47). ECA foresight expert Oana Dumitrescu asks, among other things, that greater attention be paid to the enabling role of private operators in assuring the EU's future security and defence capabilities (page 104).

Challenges or not, the ECA will have to deliver on its mandate, as is underlined by ECA Member Laima Andrikienė, whose personal experiences are interwoven with the broader tapestry of European security (page 39). She reasons that EU unity in defence also means striving for optimal effectiveness, so reports should focus not only on savings but also on improved defence capacity (both on the ground and in the air, where the number of threats is increasing). Looking simply at expenditure levels, it is clear that the lion's share of accountability lies with the EU's national audit institutions. Paul Serre of the French Court of Accounts explains that EU's external auditors are coming together to provide more added value on accountability (page 75). Our colleagues from the German Federal Audit Office (page 67) and the Finnish National Audit Office (page 71) highlight the capability gaps that have resulted from outmoded organisational structures and priorities, or from overly long project running times and slow procurement. Lene Schmidt of the Danish National Audit Office dives into the challenge of reconciling transparency and accountability while respecting confidentiality requirements (page 63), which are issues that may hamper the usual public scrutiny objectives.

The EU and its member states are facing fundamental choices at a pivotal moment. At stake is the EU's ability to safeguard freedom of choice in its many other crucial policy areas. And the EU has to act quickly – historically not its strongest point, given its tradition of reaching consensus to uphold diversity. But isn't that exactly what makes Europe such a great place – such a great 'museum' if you really want – in which to live? That diversity encapsulates the possibility for each one of us to pursue our own choices. Strikingly defending this diversity requires unity: a shared 'whatever it takes' approach which the EU (and Europe) has not seen for many decades. It requires us all to adopt a 'first things first' mindset to, as Laima Andrikienė puts it, 'preserve the values and freedoms that define us'.

# Reviving the European Defence Community to integrate European defence

By Professor Federico Fabbrini, Dublin City University/Harvard University



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**European postwar history is also a history of European integration, often triggered by crisis or vision. From the beginnings of European integration in the 1950s, one of the key policy areas where EU member states have maintained their national prerogative seems to be defence. But is this set in stone looking to the future? Is a European army a viable possibility? Federico Fabbrini is Professor of EU Law and Founding Director of the Dublin European Law Institute of Dublin City University and Fulbright Schuman Fellow in International Security at the Kennedy School of Government at Harvard University. He has published on various EU themes, including European defence integration. The idea of a European army also turns out to be part of Jean Monnet's legacy. And, according to Professor Fabbrini, there is ample potential to revive the idea.**

## Geopolitical changes require Europe to strengthen its defence

Russia's war of aggression against Ukraine posed an unprecedented challenge for the European Union (EU)<sup>1</sup>. As the leaders of the EU institutions and member state heads of state and government affirmed in the Versailles

Declaration of March 2022, the war in Ukraine 'constitutes a tectonic shift in European history'<sup>2</sup>. The return of large-scale conventional warfare to the European continent – for the first time since the end of World War II – shattered

<sup>1</sup>See F. Fabbrini, *The EU Constitution in Time of War: Legal Responses to Russia's Aggression against Ukraine*, Oxford 2025.

<sup>2</sup>Versailles Declaration, 10-11 March 2022, para 6.

expectations of perpetual peace and forced the EU and its member states to face the reality of hard power. The EU has responded forcefully to the war: it rolled out 19 rounds of sanctions against Russia; it deployed new fiscal tools to support the Ukrainian government and military; it invested in the common procurement of weapons and ammunition; and it took important steps to both reduce its energy dependencies and increase its economic security.

Nevertheless, the EU's response to Russia's war of aggression against Ukraine has also revealed numerous weaknesses: the EU failed to meet its target of delivering at least one million rounds of ammunitions to Ukraine in a year; it only implemented the 2022 plan to establish a rapid reaction force of (only!) 5 000 soldiers in 2025; and has not developed any credible military deterrence or reassurance force against Russia. In fact, as Finland and Sweden's decision to join the North Atlantic Treaty Organization (NATO) in 2023-2024 shows, it is NATO, with the backing of US military forces, that ensures the security of Europe.

The difficulties that the EU faces in rising to the geopolitical challenges and integrating in the field of defence are not surprising. The EU was never conceived as a wartime organisation. Despite the creation of an EU common foreign and security policy under the Treaty of Maastricht in 1992, the business of defending Europe has been outsourced to NATO and the US since the mid-1950s. In fact, while Article 42(2) of the Treaty on European Union currently envisions a future in which the EU will have a common defence, the institutional steps to get there – including a unanimous decision in the European Council by all 27 member states (where four of the member states are neutral) – makes it impossible. As a result, in the 30 years since Maastricht and the three years since the start of the full-scale war in Ukraine, EU common security and defence policy action has delivered only very limited results.

However, EU dependence on the US and NATO is no longer sustainable given the current uncertainty in the transatlantic relationship. Since returning to office, US President Trump has treated Europe as an adversary, Russia as a friend, and NATO as a burden, reducing US support for Ukraine and leaving Europe guessing whether the US would honour Article 5 of the NATO Treaty commitment to mutual defence in the case of an enemy attack. To address this situation, the EU institutions developed a plan in spring 2025 – ReArmEU. This plan suspended EU fiscal rules through the coordinated activation of the national safeguard clause of the Stability and Growth Pact to promote greater defence spending. It also established a new EU fund, SAFE (Security Action for Europe), to support national defence financing. At the same time, fiscal rules have been suspended at national level – most notably in Germany, where a fast-tracked constitutional reform law amended the balanced-budget rule to allow higher defence spending. In addition, several

EU member states have strengthened their bilateral defence ties, while France and the UK have launched a 'coalition of the willing' to provide Ukraine with security guarantees against Russia in the absence of US support.

## ECA JOURNAL SHORT READ

With Russia's war of aggression against Ukraine and uncertainty in its transatlantic relationship, **Europe faces geopolitical challenges**, in particular when it comes to security. This fact forces Europe to think about **defence integration**. Under the ReArmEU plan, the EU has already taken several steps towards common actions to support national defence. Individually, **member states have also increased their defence expenditure** and bilateral security ties. However, reality often falls short of ambition.

One way of **bringing EU defence integration into focus** can actually be found in the early 1950s when the **European Defence Community** (EDC) was formed. The aim of the EDC was to create a supranational European army to counterbalance the Soviet military threat during the Cold War, but ultimately it **failed to be ratified**. However, the **EDC has many elements** that are **attractive in today's EU**, including elements such as a common budget, supranational governance arrangements, warranties for supply of military equipment, and provisions for close coordination with NATO.

While the EDC may appear to be an initiative from the past there are no **legal impediments to reviving its ratification process**. Four out of the then six 'EU' founding member states ratified the EDC, so legally the ratification process could still be concluded. The EDC's set-up has clear potential to **overcome the fragmentation problems** which European countries still face with regard to financing, procurement and supply, and unified command and control. It could function as the **European pillar of NATO**, representing credible deterrence. Moreover, the idea of a **robust European defence policy**, with well-integrated and common governance and even financing structures, **appears to have the support of EU citizens**. With the EU a group of member states could move integration forward, as has been the case for other initiatives, such as the Schengen Agreement and the European Stability Mechanism.

While difficulties in reviving the EDC may exist, they are not insurmountable – and the **EDC only needs two more member states to ratify it** to become legally viable. The fact that this is **not merely academic wishful thinking** has been demonstrated by the tabling of a **bill for ratification in the Italian parliament in 2025**.

However, Europe's response to the 'Trump effect' has revealed several weaknesses. The ReArmEU plan relies primarily on higher national defence spending and SAFE only provides minor support, offering EU financing solely in the form of loans. This has quickly exposed deep asymmetries in member states' ability to increase their defence expenditure – especially for heavily indebted countries constrained by financial markets that limit their borrowing capacity. Moreover, by encouraging decentralised defence spending – since member states can draw on SAFE funds without resorting to joint procurement until 2026 – the plan risks further fragmenting Europe's defence market without

significantly enhancing its deterrence capacity. At the same time, European attempts to build a 'coalition of the willing' to support Ukraine have proven to be largely aspirational. On one hand, European states failed to mobilise sufficient resources to create a credible reassurance force. On the other, intergovernmental settings tend to generate hegemonic dynamics with some states dominating the process, which creates resentment in other countries and weakens the legitimacy of the measures approved under these frameworks.

## The precedent of the European Defence Community

Given the unprecedented security challenges it faces, Europe needs to look for out-of-the-box ideas and this article proposes that to move forward in integrating European defence we should look backwards at solutions that were designed at the very start of the European integration project. Specifically, it argues that we should revive the European Defence Community (EDC)<sup>3</sup>. The EDC was conceived in the early 1950s, in a context strikingly similar to that of today. At that time too, Russia – then the Soviet Union – posed a threat to Europe's security and the US's commitment to defending Europe appeared uncertain as the Korean War diverted American attention towards Asia. It was in this setting that the six founding member states – France, Italy, Germany, Belgium, the Netherlands, and Luxembourg, the same countries that in 1951 had established the European Coal and Steel Community (ECSC) – in 1952 decided to create a new organisation specifically focused on the defence of (Western) Europe. Penned by Jean Monnet and first introduced by French Prime Minister René Pleven, it was primarily created to address the problem of German rearmament. With the onset of the Cold War, the US and the UK both openly supported the EDC. The EDC itself was a natural extension of the 1948 Brussels Treaty, which had established a mutual defence pact between the UK, France and the Benelux countries, and was meant to be the European pillar within NATO (which had been established by the 1949 Washington Treaty).

The 1952 EDC Treaty offered a comprehensive response to Europe's security challenges by creating a European army. In greater detail, the EDC integrated the armed forces of the participating member states into one common

army, funded by a common budget, and governed by supranational institutions. The EDC Treaty granted the ECSC exclusive authority over defence industrial policy, ensuring the supply of military equipment. It also provided for close coordination with NATO, placing EDC forces under the NATO Supreme Allied Commander Europe (SACEUR) in the case of aggression, while maintaining a mutual defence pact with the UK and remaining open to the accession of other European countries. The EDC thus endowed the Community with full military capabilities, adequate fiscal resources and institutional links with both the UK and the US, deliberately positioning itself as the European pillar of NATO. Crucially, it established a democratically legitimate supranational organisation capable of addressing existential issues such as war and peace. Executive powers were entrusted to a nine-member Commission, accountable to both a Council (representing the member states) and a Parliamentary Assembly (representing citizens), and subject to the full judicial oversight of a Court of Justice.

The EDC was formally agreed through a Treaty, signed in Paris on 27 May 1952 by representatives of the six founders: France, Germany, Italy, Belgium, the Netherlands and Luxembourg. Between 1953 and 1954 the EDC Treaty was fully ratified in four states – the Netherlands, Luxembourg, Belgium and Germany, in this case through a process that involved a constitutional revision championed by the Adenauer government<sup>4</sup>. While delaying ratification, Italy did not oppose the Treaty, whereas in a famous vote in August 1954, the French Parliamentary Assembly approved a procedural

<sup>3</sup> I first proposed reviving the EDC Treaty in an article published the week after President Trump's re-election. See F. Fabbrini, 'European Defense Integration after Trump's Re-election: A Proposal to Revive the European Defence Community Treaty and its Legal Feasibility', in 30 European Law Journal 614 (2024). Building on this in 2025, I launched an initiative called ALCIDE – a non-partisan project, unaffiliated with any political group, involving international scholars but which goes beyond academic debate, drawing the attention of national and European political authorities to the precedent of the EDC, and the possibility of reviving it today. ALCIDE is an acronym that stands for 'activating the law creatively to integrate defense in Europe' but is also a tribute to Alcide De Gasperi, one of the statesmen who drafted the EDC, and of course the first Italian Prime Minister after World War II. ALCIDE, which has a website available in English, Italian and French – [www.alcideproject.eu](http://www.alcideproject.eu) – has produced several commentaries that shed light on specific aspects of the EDC Treaty, and most importantly a policy paper: See F. Fabbrini, S. Goulard, K. Caunes, C. de Vries, D. Genini, H. James, A. Kaminski, E. Keller, N. Kirst, F. Mayer, E. Mourlon-Druol, G. Wolff, *Getting Serious About European Defence Integration: The European Defence Community Precedent*, Dublin European Law Institute, 2025: <https://alcideproject.eu/wp-content/uploads/2025/02/ALCIDE-Policy-Brief.pdf>.

<sup>4</sup> See K. Lowenstein, 'The Bonn Constitution and the European Defense Community Treaties', in 64 Yale Law Journal 805 (1955).

motion to indefinitely postpone the ratification of the Treaty. Hence, while technically France did not reject the EDC Treaty, it doomed the initiative. This had the following consequences: the next year, in 1955, Germany was integrated into NATO, which since then became the centerpiece of the European security architecture, and with the 1957 Treaties of Rome establishing the European Economic Community (EEC) and European Atomic Energy

Community (EURATOM), European integration took an economic direction. Yet, despite the fact that the EDC Treaty was not ratified in France in 1954, it is legally not dead and could be revived today – if it were to be ratified by the two member states that have not yet done so: France and Italy.

## Benefits of the EDC

Elsewhere I have explained in detail why it would be legally feasible to revive the EDC from international, EU, comparative and constitutional law standpoints<sup>5</sup>. In brief, from a public international law perspective, once a treaty has been signed and ratified, it continues to exist for the states that have given their consent to be bound by it – even if the treaty has not yet entered into force. Indeed, international treaties usually require a number of ratifications before becoming operational, and as comparative precedents reveal, a significant length of time may elapse between the signing of a treaty and when it enters into force. Moreover, EU law does not prevent the member states from concluding agreements between themselves, especially in the field of the Common Foreign and Security Policy or the Common Security and Defence Policy<sup>6</sup>. Furthermore, from a constitutional law perspective, there may be rules that prohibit a parliament from voting again on a treaty it had previously rejected. But in France, the 1954 vote on the EDC Treaty was carried by the Parliament of the Fourth Republic. Yet, France has had a new political regime since 1958 – the Fifth Republic. This means that if the National Assembly were to hold a vote on the EDC Treaty today, it would technically be its first vote on the subject.

Here, it is worth outlining the comparative advantages the EDC would have over the current proposals – if it entered into force. From a financial perspective, the EDC would have a common budget and thus be able to overcome the asymmetries created by ReArmEU, and it could finance itself through issuing common debt. By granting the EDC exclusive powers to procure and supply military equipment, it would also resolve the inefficiencies and duplications that are the result of Europe's fragmented defence industry – issues that became embarrassingly evident in the EU's response to the war in Ukraine. From an operational perspective, the EDC would integrate all national armed forces to form a single army with a unified command and control, providing the deterrence and defence capabilities that the 'coalition of the willing' currently lacks. At the same

time, it would establish supranational bodies with the legitimacy and accountability needed to make binding decisions, avoiding both the paralysis of the CFSP and the CSDP, and the dominance of powerful states seen in intergovernmental coalitions.

Politically, the idea of relaunching the EDC also presents clear advantages. It aligns with recent public opinion data that shows strong support for a robust European defence policy. The April 2024 Eurobarometer survey found that 77% of Europeans favour a common defence and security policy in the EU member states, while 71% agree that the EU must strengthen its capacity to produce military equipment<sup>7</sup>. The September 2025 Eurobarometer survey results revealed that almost all citizens (90%) want member states to address global challenges together, and a large majority (77%) believes that the EU needs more resources to prevail in a rapidly changing geopolitical landscape<sup>8</sup>. The results of experimental surveys conducted in Germany, the Netherlands, Spain, France and Italy, show that citizens in these countries prefer defence architectures featuring common EU-level governance, the joint procurement of military equipment, and replacing national defence spending with EU-level spending<sup>9</sup>. One major concern with the current European rearmament plan is that a reliance on national budgets could ultimately reduce social spending to fund defence outlays. In this respect, the EDC offers a solution: by centralising defence expenditure at European level, it can create economies of scale and therefore reduce the overall costs of sustaining a standing army. This would therefore reduce citizens' tax burden and expand member states' fiscal options to invest in health, welfare, and education – something that is far more appealing to public opinion.

The EDC also provides clear institutional advantages. Firstly, as a treaty modelled on the ECSC – the predecessor of today's EU – the EDC is based on rules and institutions that already resemble, or even directly correspond to those of the current EU, thereby facilitating institutional connections between the EU and the EDC. Secondly, it

<sup>5</sup> See F. Fabbrini, 2024, (n. 3) 614.

<sup>6</sup> See J.C. Piris, 'The European Union in Crises: What Should the Member States Do?' (2022) 7 European Papers 969.

<sup>7</sup> Standard Eurobarometer 101 – Spring 2024, <https://eropa.eu/eurobarometer/surveys/detail/3216>.

<sup>8</sup> EU-wide survey: Citizens seek enhanced EU role in protection amid global shifts, Press Releases, 3 September 2025, <https://www.europarl.europa.eu/news/en/press-room/20250827IPR30018/eu-wide-survey-citizens-seek-enhanced-eu-role-in-protection-amid-global-shifts>.

<sup>9</sup> F. Nicoli, B. Burgoon, D. van der Duin, 'Citizen Support for a European Defense Union: An International Conjoint Experiment on Security Cooperation in Europe', in 69 International Studies Quarterly 1 (2025).

would allow a core group of member states to integrate their defences within the EU and NATO framework, as all six original signatories of the EDC Treaty are members of both organisations. The EDC's connection to NATO would mitigate fears of an irreparable rift with the US, while its openness to new members would enable other EU states to join the European army initiative. As a treaty between a subset of EU member states, the EDC could operate like other such international agreements – like the Schengen Agreement<sup>10</sup>, the Fiscal Compact<sup>11</sup>, and the Treaty establishing the European Stability Mechanism<sup>12</sup> – all of which represent forms of deeper cooperation between groups of EU countries. In this sense, the EDC Treaty would be the most recent example of a sub-set of EU member states using intergovernmental agreements to blaze a trail for greater European integration.

Finally, from a legal standpoint – and this is of key practical importance – since the EDC Treaty has already

been ratified by Belgium, the Netherlands, Germany and Luxembourg, it could enter into force once the remaining two member states (France and Italy) ratify it. This is an extraordinarily low threshold compared to the 27 unanimous ratifications required to amend the EU Treaties or to implement its mild CSDP clauses. Moreover, since Germany ratified the EDC Treaty through a constitutional amendment, a potential juridical obstacle has already been removed<sup>13</sup>. A further advantage is that the EDC would allow willing European member states to march towards common defence while bypassing vetoes from other member states that are less supportive of providing EU assistance to Ukraine. Through the EDC, those European countries committed to deeper integration of defence could move forwards without being blocked by the requirement for unanimity that currently paralyses EU decision-making.

## A European army – mostly political as opposed to legal barriers

Needless to say, the road to reviving the EDC Treaty is not without political, technical and institutional difficulties – including the fact that France now has a nuclear deterrent, something that it did not have in the 1950s<sup>14</sup>. But let's not miss the point: any attempt to integrate European defence will face challenges. The EDC provides a model that already has all the features necessary for a real European defence union – the military capabilities, the funding, and the legitimate governance – and its entry into force would be comparatively easier than the

alternatives. It only takes two more ratifications to revive the EDC, which would then be open to any other member states that wished to join. In this context, it is interesting to note that a bill was tabled in the Italian lower house of parliament in 2025 to ratify and implement the EDC Treaty in Italy<sup>15</sup>: while the fate of this parliamentary initiative is still uncertain, this new bill confirms that we could breathe new life into the EDC Treaty, and indeed suggests that activating the law creatively to integrate defence in Europe is possible.

<sup>10</sup> Convention implementing the Schengen Agreement of 14 June 1985 between the Governments of the States of the Benelux Economic Union, the Federal Republic of Germany and the French Republic on the gradual abolition of checks at their common borders, in: OJ, L 239/19, 22.9.2000. The Schengen Agreement was subsequently incorporated into the EU legal framework.

<sup>11</sup> Treaty on stability, coordination and governance in the Economic and Monetary Union, 2 March 2012.

<sup>12</sup> Treaty establishing the European Stability Mechanism, 2 February 2012.

<sup>13</sup> Over the past two decades, the German Constitutional Court has developed a rather Eurosceptic body of constitutional jurisprudence. See in particular BVerfG 123/267 (2009), judgment on the Lisbon Treaty, on which see S. Cassese, 'L'Unione europea e il giungaglio tedesco' in: Giornale di Diritto Amministrativo 1003 (2009). In more recent times, however, the German Constitutional Court has partially revised its stance, especially in response to the COVID-19 pandemic. See BVerfG 2 BvR 547/21 and 2 BvR 798/21, judgment of 6 December 2022.

<sup>14</sup> See further F. Fabbri, S. Goulard et al., 2025, (n. 3).

<sup>15</sup> Bill proposed by Member of Parliament Del Barba submitted to the Chamber of Deputies (XIX Legislature) at the session of 3 April 2025, 'Ratifica ed esecuzione del Trattato che istituisce la Comunità europea di difesa', A.C. n. 2342.



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# 'Europe needs to defend peace through strength'

Interview with Andrius Kubilius,  
Commissioner for Defence and Space

By Gaston Moonen

**That the European Commission is serious about EU defence as key priority has become clear through a barrage of initiatives in this area, spearheaded by its white paper on European defence. But financially, too, the current Commission means business, as demonstrated by its proposed new multiannual financial framework with a massive increase in EU defence expenditure. Within the Commission itself, there is a new important role and tasks to drive forward the implementation of these initiatives and deliver results. Andrius Kubilius, formerly Prime Minister of Lithuania and a former Member of both the Lithuanian and European Parliaments, is the first EU Commissioner for Defence and Space. He is determined to deliver European added value so that the continent can be prepared for war – in order to preserve peace. Below he explains how he intends to do that.**

## EU action for European defence synergies

After welcoming me to his office on the 10th floor of the Berlaymont building in Brussels, Andrius Kubilius, Commissioner for Defence and Space, does not react defensively to my first question. Far from it – he laughs when I ask him to help me navigate the maze of abbreviations that seem to mark EU defence initiatives, ranging from PADR and ETIDB to EDF and ASAP. 'Oh my God, yes. We are trying to understand them. The programmes are related to both traditional and new EU activities in defence. These new activities came about last year, and some big changes have happened this year.' And not even because of his appointment as Commissioner: 'These changes are mainly the result of a really much better understanding of the threats of Putin – and also because of some changes on the other side of the Atlantic. Defence has become a strategic priority for this European Commission.'

Asked to identify the three most important documents, the Commissioner starts with the white paper on European defence, which was presented in March 2025: 'We were trying to build a vision and approach of what we need to do not to compete with NATO but instead to bring added value to NATO and the EU member states. In contrast to NATO, the EU can have financial and economic instruments to help member states with their military needs. NATO

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is defining all those capability targets, all those defence plans, but it cannot raise funds to realise these plans. On the other hand, the EU can implement industrial policy instruments. This white paper is our visionary plan.'

The second key document he identifies is the Rearmament Europe Programme. 'This programme has five big financial ideas on how the EU can assist member states with their finances, with financial opportunities. One of them is SAFE (Security Action for Europe) which is now really coming to fruition. And funding will reach member states' governments in the first quarter of 2026.'

The third key EU initiative he mentions is the Defence Readiness Roadmap 2030. 'The Roadmap brings very concrete and ambitious plans – with a clear timetable and goals we need to achieve and to mobilise ourselves – and keep track of whether or not we are performing.' He agrees that this is very relevant from an accountability perspective: 'We want to monitor our actions with clear tools for management.'

Mr Kubilius links this to the second pillar of readiness he referred to when answering questions in the European Parliament before our interview: institutional readiness (the other two pillars being material readiness and political readiness): 'We need to be open about readiness, including at an institutional level. For example, when we want to assist member states in developing NATO-defined capabilities, we are now looking to manage that process through capability coalitions, leading-nation mechanisms. These are coalitions of the willing who want to develop certain capabilities such as new tanks, new aircrafts, ammunition, new drones, and so on. At the moment, material readiness is one of the most urgent issues.'

He explains that defence cooperation has not yet resulted in many successful common projects: 'While we have very good pan-European projects like Galileo and Copernicus in the area of space, in defence we do not have this yet.' The Commissioner attributes this to historical and political reasons, which have had a considerable impact: 'There was the attempt to build a European defence community, in the 1950s. And it failed.' Thinking out loud, he adds: 'It would be interesting to know what it would look like now if it had not failed in the French Senate.' He concludes that there is a direct link between this failure and the reality the EU is now facing. 'On the one hand, member states are responsible for their defence, it is their solemn right, it is in the Treaty. The Commission is not trying to change this. But we also need to realise that this is the source of the various problems relating to the fragmentation of Europe's defence industry. When we use language such as capability coalitions or leading nations, we need to be open to reviewing what we can and cannot do in pan-European projects. This includes recognising at some point that we are not able to achieve certain targets.'

*At the moment, material readiness is one of the most urgent issues* **”**

## Achieving a Pax Europaea on European terms

*...if you want peace, prepare for war. Nobody has yet invented any better way to bring peace.* **”**

The EU has often been applauded for bringing long-lasting peace to the European continent, as underlined by it receiving the 2012 Nobel Peace Prize. The EU Treaty<sup>1</sup> rules out the possibility of charging military expenditure to the EU budget. But, while the second half of the 20th century is often dubbed the Pax Americana, European Commission President Von der Leyen has called for a Pax Europaea in the 21st century. Inspired by this call, Commissioner Kubilius insists it means the opposite of sitting back: 'Firstly, there is this old Latin saying: if you want peace, prepare for war. Nobody has yet invented any better

<sup>1</sup> Treaty on the Functioning of the European Union, Article 41(2).

way to bring peace. Secondly, I think it is a bit misleading the way we apply this terminology of 'peace project' to Europe. Europe really is a peace project, because if go back to the 1950s and look at why the European Community was created, it was to avoid more wars between Germany and France. They were always fighting for the Rhine basin, for steel and coal. Then there was this genius invention: let's unite the ownership of those resources and, by doing so, take away potential motives for war. So that is how Europe became a project of peace.'

Yet there is another reason why this unity came about: 'For the Americans it was clear: to be able to defend Europe against Stalin and his plans, Europe needed to become united and avoid internal conflicts. To be ready to build its own capacities, Europe needs to defend peace through strength. By now trying to build its own capacities, to be ready to defend itself, Europe is ready to defend peace. This is crucial for us to understand. It is a continuation of what started back in the 1950s.'

While Europe resolved a tectonic conflict between Germany and France in the 20th century, a similarly tectonic conflict remains: 'That is between authoritarian Russia and democratic Europe. It will not be that easy to resolve. In my view, we lack any kind of longer-term agenda towards Russia.' In this context, he refers to a positive development in the European Parliament, albeit a much more short-term one: 'When I was at a meeting of the European Parliament's Security and Defence Committee (SEDE) some time ago, I praised them for the resolution they adopted calling for a unified European position, not only on the drones and balloons intruding into European airspace, but also on many other topics. I am very happy to see that the European Parliament is expanding these topics.'

For Commissioner Kubilius, it is clear that diversity is part of Europe: 'It is part of our genetics; we cannot avoid that. But we also need to have a historical perspective to better understand where we stand now. If I look back at 70 years of European development since the 1950s, from the Rome Treaty to the Lisbon Treaty, my conclusion is very simple: Europe has been evolving organically towards more consolidation, more European programmes in different areas.' He refers to Jean Monnet's famous saying that 'Europe would be built through crises' and would be 'the sum of their solutions'. 'When we are hit by a crisis, Europe grows, from a supranational point of view, in actions and possibilities. Take the financial crisis: Europe came out of that with the Banking Union. From the COVID-19 pandemic, we emerged for the first time on such a large scale in borrowing for the NGEU. With the refugee crisis, we created Frontex. Now we have a defence crisis, and we created a Commissioner for Defence and Space. So, this is how Europe is moving.'

Mr Kubilius observes that Europe is so much more consolidated now than it was at the time the Rome Treaty was adopted: 'When we look into the future, the next 70 years, I see no reason to doubt that Europe will move in the same way. It is difficult to predict where Europe will be, but it will go along that path. So yes, we still have different opinions, defence is still very much only national. But when I look into the long-term future, I don't see any reason not to predict more consolidation, including in the area of defence.'

*...we lack any kind of longer-term agenda towards Russia.*

”

*...[I] predict more consolidation, including in the area of defence.*

”

## What are we to do with the 1%?

*...the responsibility of political leaders: not to close their eyes to these challenges.'*

”

For the Commissioner, there is now a very clear factor favouring consolidation. 'There is a vital human existential interest in building our defence capabilities. Firstly because of Putin and, secondly, looking at the longer-term future, because we need to anticipate that the Americans will diminish their military presence. We need to be ready to replace them. That is the responsibility of political leaders: not to close their eyes to these challenges.'

*What we can try to do with this 1% is to really incentivise member states to do their national defence spending in a prudent way.*

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Here the Commissioner is referring to the EU's responsibilities but also to national ones: 'The bulk of financial resources needed to build these defence capabilities will come from national expenditure.' He explains that the amounts are easy to calculate, following the agreements made at the NATO summit in The Hague in spring 2025: 'If we need to meet a target of 3.5%, military expenditure can be calculated at around €6.8 trillion over the next 10 years.' He compares this with a potential €60 billion out of the €131 billion that the Commission has proposed for the next seven-year multiannual financial framework (MFF): 'This is a massive increase compared to the current MFF. But still much less than what member states will spend.'

This raises the question of what the EU can actually do with this amount, representing around 1% of EU spending, compared to national spending: 'What is our role, what are our goals? We should not create expectations that European money will build all the capabilities we need. What we can try to do with this 1% is to really incentivise member states to do their national defence spending in a prudent way. What I mean is that, on the one hand, yes, this money should be spent on defence capabilities; but in parallel, we Europeans need to spend this money on, for example, addressing structural problems in our defence industry, which is very much fragmented. That is why we are looking at EU money as instrument to facilitate joint procurement by member states, incentivising them to go for those big projects; to approach defence projects in a collective way as we do for our space projects. Because it's not like we are bad at engineering.'

Asked about the feasibility of the Commission's MFF proposals, Mr Kubilius expresses high hopes. 'I have not yet heard anybody saying that it was too much. But it is also a political kitchen. This substantial increase is also related to a general increase in the EU budget, which is not something everybody agrees with. We need to respond to many essential needs and important priorities. Once some member states start to cut their overall spending, the question will arise as to which priorities will be cut and which will remain stable. My feeling is that the priorities linked to the common agricultural policy or cohesion, will remain stable. The question is about defence – I would be happy to see defence among the priorities with stable expenditure.'

## To outer space ... and back to Earth

*You cannot imagine modern warfare without space capabilities.*

”

While many people want to keep space out of the arms race, Mr Kubilius thinks that ship has long since sailed: 'Space has become an important part of modern warfare doctrines. You cannot imagine modern warfare without space capabilities. We can see that in Ukraine, but it is nothing new. All the navigation systems which are now used by tanks or drones are all in space and you cannot do without them.' He stresses the need for better systems and better services: 'We are building this new programme for governmental info services, GOVSATCOM – which sounds very bureaucratic – for intensive data from space. Now capabilities can be very precise, you can have almost real-time information. With a sufficient number of satellites, you can get a picture of the same point on the ground every half hour. We hear that the Chinese are building a system to provide such a picture each six minutes. Compare this with the system we have now, which is able to provide a picture roughly once

a day.' He refers to the IRIS2 constellation, one of the EU's answers to Starlink, and to the increasing geopolitical and cybersecurity threats.

*...even if we have weapons, we can still lose our political will.*

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On the issue of cybersecurity threats, the Commissioner is very direct 'As for this third pillar I spoke about – political defence readiness - we need to understand that even if we have weapons, we can still lose our political will. And political will is a target of Kremlin operations. For the Kremlin, cyber operations, acts of sabotage and spreading fear are very important to weaken our political will.'

Even defence ministers, who are usually more focused on the material side of defence, are starting to be much more concerned about hybrid and cyber warfare. 'And the European Parliament too – I was talking with the Budgetary Control Committee and with the SEDE Committee – they produce very good reports. I said that we need to raise the topic of cybersecurity in much more depth. After the drone provocations against Poland, there was the resolution about drones, featuring very interesting language, not only about drones but also about hybrid warfare. The message was that our answers need to be as severe and as effective as the Russian operations are towards our side. On the one hand, cybersecurity is a defensive policy. But some countries are also developing offensive capacities. We need to have a clear picture of what we are going to do as Europeans.'

## Welcoming all insight on return on EU investments

*...are we spending our money in a way that ensures the added value of the EU budget...*

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In terms of accountability challenges in relation to EU defence expenditure, Mr Kubilius realises that a massive increase in expenditure will also trigger more audits. Though he admits he is not a big specialist in audit, he identifies some key issues he wants to know about: 'First of all, are we transparent and do we have the right data? Do we have all the necessary measures to prevent corruption? The second question is: are we spending our money in a way that ensures the added value of the EU budget is clearly recognised and that the expected outcomes are achieved? What outcomes do we actually want to achieve with EU defence spending?' Here the Commissioner refers back to his earlier remark that with defence spending representing 1% in the big picture of overall EU spending, the EU cannot build all the capabilities needed. For him, then, the key question, including from an auditor's perspective is: 'How can we use EU money to help member states achieve the capabilities needed in the most effective way, and in a way that is prudent?'

*...with joint public procurement, prices can go down by 30%.*

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He gives the example of joint public procurement: 'Our experience with previous programmes shows that, with joint public procurement, prices can go down by 30%. If we are spending our limited amount, 1%, to get that joint procurement going, if we can incentivise member states to go for more European production – we can save hundreds and hundreds of billions.' He refers to the Draghi report on the need for economies. 'Before 2022, and immediately after Russia's war of aggression against Ukraine started, Europeans were spending only 20% of their defence money within the European defence industry. 80% went outside Europe, including 60% to the US. If only we could change that picture. Of course, it requires our production capabilities to be competitive, and so on.' It also requires investment: 'If we are not spending our money within our defence industry, we cannot expect our industry to become competitive. By spending more European money within the European defence industry, we can bring hundreds of billions of euros back to Europe. That is where I see the outcome and the effectiveness of our spending from the EU budget, and that is what the EU spending should be judged on.'

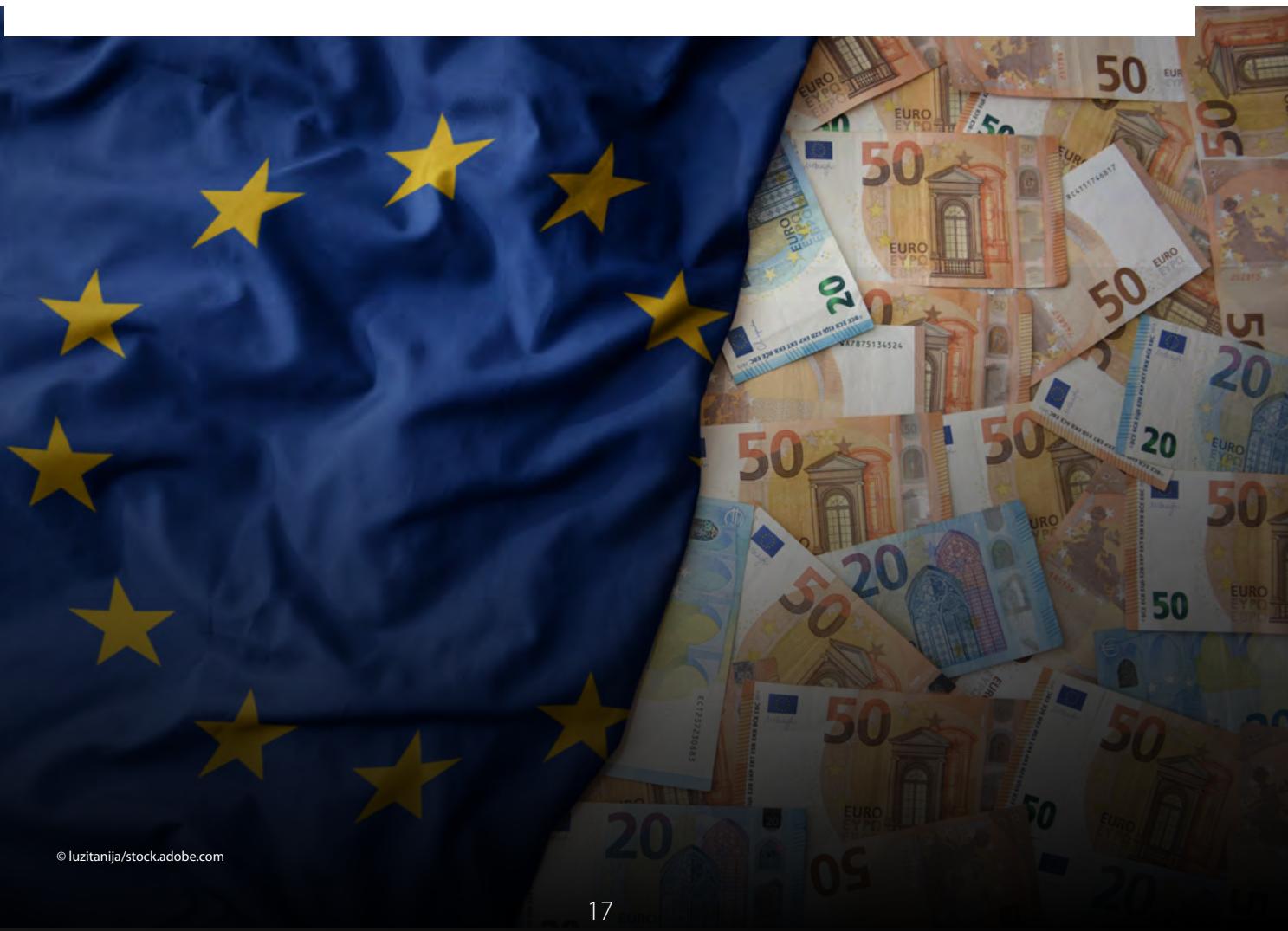
This also requires clear milestones: 'As with joint procurement, as with European investments – we need numbers that we can measure. This is where audit could be very effective for us, giving us assistance.' He strongly

believes that auditors should not just look at whether the Commission is making mistakes and accounting errors. 'We also need audit reports saying, "Look guys, you could bring much more added value if you spent your money incentivising member states to spend their money soundly.' I always say: "Let's take a holistic view." Mr Kubilius stresses that the ECA's special report 04/25 on military mobility, for example, was very important, as it also looks at the way different EU actions interact. 'What is the outcome? Are we really achieving the best results relative to what we want to achieve?'

This is also the yardstick he would like to be used at the end of his term as Commissioner. 'Now we have the Roadmap, with very ambitious goals that require implementation. This Commission's term will end in 2029, and we will see then how close we are to the finish line.' He hopes that other topics can be looked at, such as institutional and political defence readiness. 'But from a material point of view, we have a very clear document setting out what we need to achieve – the Roadmap – which is very closely related to what NATO demands from Europeans in order to be ready to defend ourselves. Maybe we can start to discuss how to get everyone pulling in the same direction on political defence readiness and institutional defence readiness. But right now, our priority is material defence readiness – simply because of the external threats.'

*...we can start (...) on political defence readiness and institutional defence readiness. But right now, our priority is material defence readiness...*

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# Unlocking the EU's defence industry's potential through cooperation

By François Arbault, Directorate-General for Defence Industry and Space, European Commission



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Since Russia's war of aggression against Ukraine started in 2022, several problems have surfaced in Europe in terms of readiness for military conflict, such as shortages in material, fragmentation in production, dependency on imports, and the too low level of innovation for military purposes. Consequently, fostering and facilitating more cooperation in the area of defence, not the least in the defence industry, has become a focal point for action by the European Commission in a way that it never was before. François Arbault, Director for Defence Industrial Programmes in the Commission's Directorate-General for Defence Industry and Space, discusses the Commission's initiatives to ramp up Europe's industrial military capacity, helping us to understand not only what the multiple abbreviations stand for but how they tie into each other. He also explains that cooperation not only makes the EU stronger militarily, but can also save a lot of money.

## Achieving defence readiness through collaboration

Europe faces threats on a scale not seen for decades. Russia's ongoing war of aggression against Ukraine demands a shift in security strategy and mindset. Europe must strengthen its preparedness and resilience to address these multifaced challenges – from regional crises

to hybrid warfare tactics – while maintaining steadfast support for Ukraine. As set out in the [white paper for European defence](#) (2025), it is time for Europe to rearm and reacquire the requisite defence capabilities.

The EU member states have significantly increased their defence expenditure since 2021, with an increase of 37% between 2021 and 2024<sup>1</sup>. In 2024, member states invested €106 billion in defence, accounting for 31% of their total defence expenditure. This figure is expected to rise further in 2025<sup>2</sup>.

However, strengthening Europe's defence requires not only increased financial commitment from member states, but also strategic and efficient use of this money. Decades of underinvestment have hurt the competitiveness of European companies, limited their capacity to innovate and increased Europe's reliance on defence imports from non-EU countries. We urgently need to reap the benefits that come from more cooperation in the area of defence.

The lack of cooperation among member states on security and defence costs us between €25 billion and €100 billion every year<sup>3</sup>. By way of illustration, if only one of three types of European combat aircraft (the Eurofighter, the Rafale and the Gripen) had been developed as a single European project, the research and development (R&D) cost per unit produced could have been reduced by between 41% and 83%<sup>4</sup>.

The potential benefits of collaboration are most obvious in joint procurement, which can lower costs, increase efficiency and maximise capability. Currently, however, 80% of defence procurement is still conducted on a purely national basis<sup>5</sup>. This reflects the market fragmentation of the European defence technological and industrial base (EDTIB) across member states. It leads to duplication, complicates the interoperability of defence systems and creates spending inefficiencies. To enhance spending efficiency, reduce market fragmentation and increase the interoperability, we must invest together, leverage the potential of the European defence industry and exploit collaborative opportunities to the fullest.

The EU has taken unprecedented steps in recent years to foster defence collaboration and strengthen capabilities. Building on initiatives such as its precursor programmes (Preparatory Action on Defence Research and the European Defence Industrial Development Programme), the [European Defence Fund](#) (EDF) marked a historic first in 2021: using the EU budget to incentivise cooperation on defence and directly support the EDTIB. The European Commission's Directorate-General for Defence Industry and Space (DG DEFIS) has expanded its activities significantly and facilitates the reinforcement of the EDTIB, a cornerstone of the EU's defence readiness and credible deterrence.

## The European Defence Fund: a game-changer for defence cooperation

The EDF was established with three core objectives: (i) promoting cooperation between member states and companies, including SMEs and researchers to mitigate market fragmentation; (ii) investing in the development of defence capabilities to address critical capability gaps; and (iii) supporting the development of cutting-edge and interoperable disruptive defence technologies and equipment by EU industry. With a budget of €7.3 billion for 2021-2027 (of which €5.4 billion has already been committed), the EDF has become a key driver for both traditional defence companies and emerging new players across Europe, funding 50% of collaborative defence research in the EU and ranking among Europe's top three defence investors, with a record 410 project proposals in 2025.

The EDF supports collaborative R&D projects covering a wide range of capabilities in all military domains, from ground, naval and underwater warfare, air combat and missile defence, to disruptive technologies and cyber solutions. Project topics are demand-driven, agreed

with member states and EDF associated countries such as Norway, and aligned with the EU's capability development plan and relevant strategies. The EDF will enable us to develop more than 50 European prototypes addressing key next-generation defence capabilities. However, the excellence of the solutions developed through EDF projects demonstrated by the willingness of member states to buy them. Several EDF-developed capabilities are already in use, as unmanned ground systems or autonomous surveillance and threat recognition solutions. In addition, EDF projects promote interoperability among member states' defence systems by defining agreed technical requirements, ensuring their alignment with NATO standards where relevant.

A central feature of the EDF is its focus, on top of the indispensable large defence contractors that combine various technological components into coherent systems (known as 'integrators'), on small and medium-sized enterprises (SMEs), which account for 43% of EDF participants. The EU Defence Innovation Scheme

<sup>1</sup> <https://www.consilium.europa.eu/en/policies/defence-numbers/>

<sup>2</sup> <https://eda.europa.eu/publications-and-data/thematic-policy-reports/eda-defence-data-2024-2025>

<sup>3</sup> [https://defence-industry-space.ec.europa.eu/document/download/a8a56735-13a3-4378-85f9-837e6fe41537\\_en?filename=20210429%20-%20EDF%20Factsheet.pdf](https://defence-industry-space.ec.europa.eu/document/download/a8a56735-13a3-4378-85f9-837e6fe41537_en?filename=20210429%20-%20EDF%20Factsheet.pdf)

<sup>4</sup> <https://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX:52018SC0345>

<sup>5</sup> Ibid.

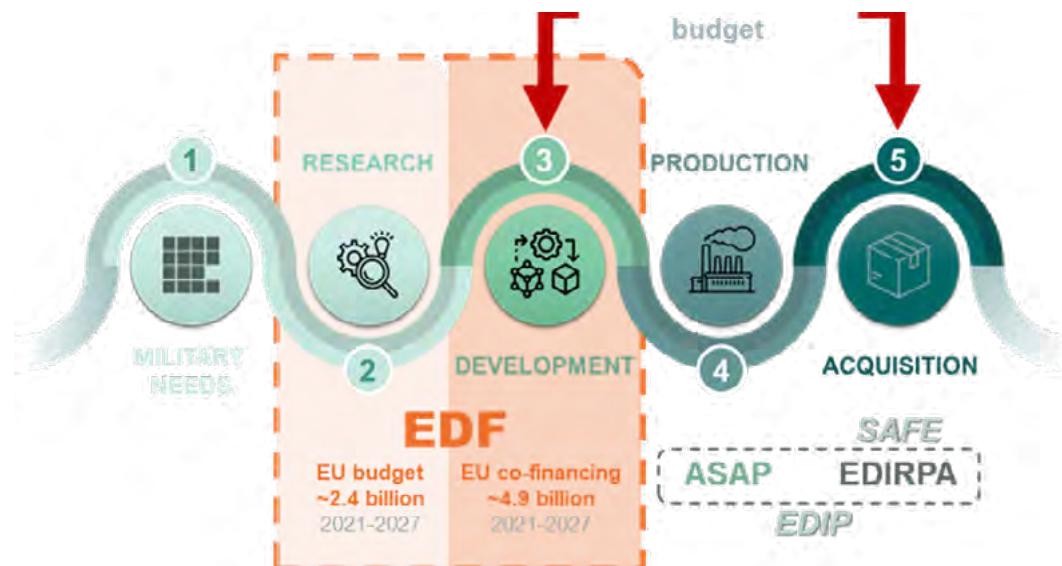
lowers entry barriers for SMEs, start-ups and scale-ups through business accelerators, coaching, hackathons and technological challenges. In addition, the EDF leverages private-sector resources via the Defence Equity Facility under the European Investment Fund, further strengthening the EU's defence innovation ecosystem.

The EDF also actively promotes innovative solutions, the need for which is made all the more urgent by Russia's war of aggression against Ukraine. Ukraine's hard-won battlefield expertise offers essential insights for advancing our defence capabilities. While EDF funding is reserved for entities established in the EU and Norway, these organisations are encouraged to collaborate with third parties, including in Ukraine. Complementing this, the €100 million BraveTech EU initiative aims to further accelerate defence innovation and strengthen

cooperation between the EU and Ukraine.

The EDF has already demonstrated concrete added value, as highlighted in the [EDF interim evaluation](#). As well as strengthening the European defence industry and EU defence readiness, the EDF also unlocks investment that generates long-term economic returns, thus contributing to the EU's overall economic growth<sup>6</sup>. However, the EDF was launched in peacetime, before Russia's full-scale invasion of Ukraine. Since 2022, the EU's security environment has dramatically worsened, with the need to address both urgent short-term production and procurement needs and medium- to long-term investment needs to close capability gaps and develop future capabilities. While the EDF addresses the latter through R&D, faster instruments were needed to meet immediate defence priorities.

**Figure 1 – From identification of military needs to acquisition by member states – the role of various EU instruments**



Source: DG DEFIS, European Commission

## Europe can act rapidly

In response to the gaps exacerbated by Russia's war of aggression against Ukraine, EU heads of state agreed to assist member states in refilling their ammunition stocks and to facilitate joint procurement of urgent defence capabilities. The Commission therefore proposed two urgent programmes in this regard: (i) European Defence Industry Reinforcement through the [Common Procurement Act](#) (EDIPRA) and (ii) the [Act in Support of Ammunition Production](#) (ASAP).

EDIPRA marked a historic milestone by incentivising, for the first time, joint defence procurement among member states. It mobilised €310 million between 2023 and 2025 to support collaborative acquisition of critical capabilities,

such as ammunition, air and missile defence, and legacy systems: five projects received awards, leveraging €11 billion in joint procurement of air and missile defence capabilities, modern armoured carrier for protected troop transport and various types of 155mm artillery ammunition.

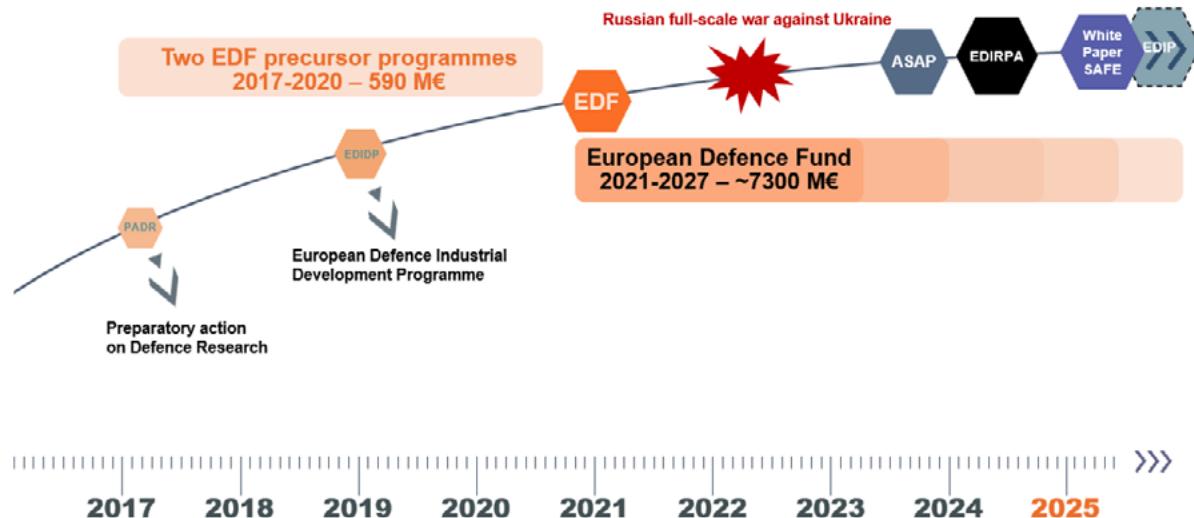
In parallel, in response to Ukraine's urgent need for ammunition, particularly of the 155 mm variety, €500 million was committed for 31 projects through ASAP to ramp up production and strengthen supply chains for explosives, gunpowder, shell and missiles, as well as testing and reconditioning. The supported projects will increase annual production capacity by over 10 000 tons of

<sup>6</sup> [https://mpra.ub.uni-muenchen.de/125039/1/MPRA\\_paper\\_125039.pdf](https://mpra.ub.uni-muenchen.de/125039/1/MPRA_paper_125039.pdf)

gunpowder and more than 4 300 tons of explosives. To further illustrate its impact, the EU's annual production capacity of large-calibre shells has risen from 400 000 per year before the Russia's war against Ukraine to over 2 million per year in 2025, ensuring member states

can sustain and increase their supply of ammunition to Ukraine. Together, these instruments reflect an unprecedented shift in the determination of member states to collaborate and invest in strengthening European defence.

**Figure 2 - Various elements in support of the EDTIB**



Source: DG DEFIS, European Commission

## From reactivity to defence preparedness

To fully realise the ambitions of the [white paper for European defence and the ReArm Europe plan - Readiness 2030](#), the European Commission recently adopted the [Preserving Peace – Defence Readiness Roadmap 2030](#), setting clear objectives and milestones for defence readiness by 2030. In the same vein, new financing mechanisms were introduced in 2025, representing Europe's most ambitious steps towards a genuine single market for defence.

Firstly, in May 2025, the Council adopted the [Security Action for Europe](#) (SAFE) Regulation, introducing a new EU financial instrument designed to ramp up defence production and reduce delivery times. Complementing grant-based programmes, SAFE provides €150 billion in long-term loans to member states for joint procurement at more favourable rates, supporting both short-term delivery of critical assets and the reduction of market fragmentation. Nineteen member states have expressed interest, with final operational arrangements expected in the first quarter of 2026, and many plan to use SAFE to support Ukraine. The Regulation's open architecture allows non-EU countries to participate in common procurement and to involve their defence industries, while not accessing the loans themselves.

Secondly, a political agreement has been reached on the proposed [European Defence Industry Programme](#) (EDIP) regulation. Once it is in force, the Commission

will work on programming to finance the most pressing priorities in line with the Defence Readiness Roadmap 2030, with plans to further reinforce the EDIP budget. EDIP constitutes the first comprehensive EU framework to strengthen the EDTIB, building on the successes of EDIRPA and ASAP. The overall objective is to invest more, better, together and European. Against this backdrop, the programme envisages new structures for more permanent cooperation among member states to address major capability gaps and priorities, a new legal framework to enhance collaboration in joint defence procurement and armament, as well as the implementation of the defence readiness flagship projects.

Furthermore, a first ever EU security-of-supply regime will ensure access to critical defence products and enhance the EU's capacity to respond to future supply chain crises. Additionally, a new initiative – the Ukraine Support Instrument (USI) – has been endorsed by the EU's co-legislators, the Parliament and the Council, to enhance cooperation with Ukraine; to modernise the country's defence industry, fostering partnerships between EU and Ukrainian defence actors; and to accelerate the Ukrainian defence industry's integration with the EDTIB.

Finally, to ensure the effective implementation of the EU's [Defence Readiness Roadmap 2030](#) and the various instruments now available, it is essential to reduce red

<sup>7</sup> [ASAP implementation report, 2024](#).

tape and increase flexibility. The Commission's proposals (known as the 'Defence Readiness Omnibus' and 'Mini-omnibus') introduce measures to reduce complexity and administrative burden, eliminating regulatory barriers

and bottlenecks, streamlining procurement procedures, and further facilitating public and private investment in defence.

## Standing united, even more so when it comes to EU defence

With the next multiannual financial framework (for 2028-2034) approaching, it will be crucial to continue, increase and consolidate joint efforts under EU funding programmes such as the EDF and the EDIP, ensuring continuity and reinforcing EU's defence capabilities amid growing security threats. The proposed [European Competitiveness Fund](#) from 2028 onwards merges existing programmes into a single, comprehensive framework, offering greater flexibility and predictability for industry, and a single, simplified and tailored rulebook.

By increasing defence spending, the EU is sending a powerful signal. Member states remain in the driving seat. Strong political drive is needed to turn strategy into action and fully unlock Europe's defence potential. Through the EU's programmes and initiatives, we are able to invest more, better, together and European – not only to strengthen Europe's strategic autonomy, capabilities, and innovation, but also to continue supporting Ukraine, which stands on the frontline defending European values and security. Because the EU stands united, decisive and resilient in defence of its shared principles and its citizens.





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# 'Europe is facing an acute and growing threat'

Interview with Troels Lund Poulsen, Danish Deputy Prime Minister and Minister for Defence

By Gaston Moonen

**When it comes to EU's common foreign and security policy the Council has always been in the driving seat, and mostly still is. While some foreign policy issues – such as EU's trade policy - reside with the European Commission, defence and security issues have remained a national prerogative. Yet the need for standing together, also when it comes to defence, has increased the number of Council meetings and what is discussed there. The Danish Minister of Defence Troels Lund Poulsen is, with Denmark currently holding the EU Presidency, in the driving seat. He explains what he and his Council colleagues have been focusing on in the past few months when dealing with both urgent threats and incidents and longer term defence challenges.**

## Supporting Ukraine through the 'Danish model'

*Denmark currently has the EU Presidency, taking the lead on many topics and defence is actually mentioned as first priority in your EU Presidency Programme 'A strong Europe in a changing world'. What are currently for you the core issues going on at the Council when it comes to defence and security?*

...we are currently working to build support for a model that advances Ukraine's need for financing of military needs.

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**Troels Lund Poulsen:** Denmark has placed high priority in our support for Ukraine, for example by taking the lead with the use of the 'Danish model', where we have financed military support for Ukraine on behalf of the EU by procuring directly from Ukrainian defence industry. As presidency, we are currently working to build support for a model that advances Ukraine's need for financing of military needs. This also applies to the reparations loan based on the immobilized Russian central bank assets. A decision in this matter would be a much-needed game-changer for our support to Ukraine.

Under the Danish presidency we have also reached an agreement on the European Defence Industrial Programme. This contributes to both a stronger European and Ukrainian defence industry – and support cooperation between the two. At the same time, we have agreed to allocate more of the existing EU budget on defence and security. These are important components in strengthening the EU defence industry and will support the need for a speedy development of our capacities.

*...simplifying legislation (...) we have just reached an agreement among the EU member states (...) on a simplification package in the area of defence.*

Another essential aspect has been to ensure optimal conditions for the European defence industry. Denmark has been working on removing unnecessary barriers, simplifying legislation made in peacetime. To this extend we have just reached an agreement among the EU member states on an ambitious negotiating mandate on a simplification package in the area of defence.

*Only days before the EU summit in Copenhagen in October 2025 - and also afterwards - there were incidents with drones over Danish airports, resulting in temporary shutdowns. Several other member states had similar experiences. Another issue, as is also referred to in your programme, is the EU's preparedness to deal with cybersecurity measures, a topic also recently covered in a report by the Danish Rigsrevisionen. There are concerns about EU preparedness on these issues and for example there is a lot of talk at EU level about a drone wall. How has this come into action and what role did you play in that holding the EU Presidency?*

*...the establishment of a drone ecosystem across the member states is necessary.*

**Troels Lund Poulsen:** In the Roadmap on defence readiness 2030 the Commission proposed to establish a so-called flagship project on drones. We are now working on a concept for how an EU initiative regarding strengthened drone-capacity could be established. Both in cooperation with the Commission and with interested member states. It is evident that there is a special focus on Europe's eastern flank but a strengthened European drone capacity could also be utilized elsewhere for the benefit of the safety of Europe and the member states. Therefore, the establishment of a drone ecosystem across the member states is necessary.

As for cyber security there is no doubt that the cyber domain has become a new battlefield. It is therefore important that we continue our strong cooperation in cyber defence spanning across different sectors and across all member states.

*With a war underway on Europe's eastern flank, Denmark has provided – particularly also after the 2022 Danish referendum regarding the opt-out on EU defence cooperation - a lot of funding for military aid (also in kind) to Ukraine with a war going on at Europe's eastern flank. At the same time, this year Denmark's autonomous territory Greenland got a lot of attention in view of the Trump Administration's interest and the call for better defence capabilities for Greenland. What has this done, in your view, for the defence awareness of the population of Denmark and which actions has it triggered from your ministry?*

**Troels Lund Poulsen:** The Kingdom of Denmark has increased its military investments in the Arctic and High North substantially in 2025, in close coordination with the governments of Greenland and the Faroe Islands. This year's two agreements on the Arctic and North Atlantic includes investments of approximately 6.5 billion USD in initiatives that directly improve surveillance and enhance enforcement of sovereignty and threat response, in support of NATO and our Arctic allies. The agreements have been concluded with a broad coalition of the Danish Parliament, and in close cooperation with the governments of Greenland and the Faroe Islands.

## Stronger European defence industry as prerequisite for EU's security

*Survey results, for example from the September 2025 Eurobarometer, showed that almost all citizens – 90% - want member states to address global challenges together, and a large majority - 77% - reply that the EU needs more resources to prevail in a rapidly changing geopolitical landscape. The Danish Presidency programme indicates that only in five years from now Europe may have the ability to defend itself. What are in your view the main impediments to do this faster?*

*...we are working to integrate the Ukrainian defence industry into the European.*

”

**Troels Lund Poulsen:** It has been one of Denmark's priorities to significantly strengthen the European defence industry. And we are making progress in our efforts. Both the enhanced spending of the existing EU budget on defence and security as well as the agreement on the European Defence Industrial Programme will contribute to a stronger European defence industry.

At the same time, we are working to integrate the Ukrainian defence industry into the European. This is a prerequisite for our security and collective defence.

*While there is a war going on in Europe, in Ukraine, Europe and its leaders have not really been on the table, together with the USA, Russia and Ukraine (also often left out), to talk about a cease fire and peace solution in Ukraine. What is your view on this holding the EU Presidency?*

*We cannot allow Russia to decide the fate of Ukraine and the future of Europe.*

”

**Troels Lund Poulsen:** The EU as a whole wants peace. But the borders and sovereignty of Ukraine must be respected. We cannot allow Russia to decide the fate of Ukraine and the future of Europe. The many hybrid attacks that have occurred across Europe the past month clearly shows that we cannot be weak.

*The current European Commission has launched several initiatives when it comes to EU defence, starting with the White Paper on European Defence, the Rearmamanet Europe Programme, or the Roadmap to Defence Readiness. Can you give some examples how it concretely impacted your work and particularly that of your ministry?*

**Troels Lund Poulsen:** This is no easy task and it will take time. However, we have been working hard to make progress under the Danish Presidency. And we are succeeding. As mentioned before, the agreement we have reached on the European Industrial Programme will significantly contribute to a stronger European defence industry.

We have also reached agreement on measures to incentivize defence related investment under the current EU budget. Furthermore, we have just reached agreement on the negotiation mandate for a simplification package on defence which will contribute to better the conditions for defence industry and speed up the process for initiating new defence projects.

Finally, the Commission has just launched a package on military mobility that is aimed at ensuring a seamless movement of troops, equipment and military assets across the EU. We look forward to taking part in the negotiations of the package as we hand over the Presidency baton to Cyprus.

## A strong EU requires a strong EU defence budget...and more

*The European Commission's proposals for the next Multiannual Financial Framework contain a fivefold increase when it comes to EU defence and space expenditure. What has been the reactions among the Council members to these proposals and this increase, what is the Danish view on this?*

*The EU budget must meet the challenges of the future – not the past.*

”

**Troels Lund Poulsen:** Europe is facing an acute and growing threat. A full-scale war is taking place on our territory and our security landscape continues to change. Therefore, we must work to ensure a strong EU.

It also requires us to look at these challenges with new eyes. The EU budget must meet the challenges of the future – not the past. For this reason, there can be no doubt that defence and competitiveness must have a prominent role in the next Multiannual Financial Framework.

*As we see in other policy areas, such as industrial policy and competitiveness, member states are not always keen to step over national interests regarding industry, certainly not when military issues are concerned. In your programme, you call for greater synergies and pan-European cooperation to address fragmentation. What is in your view, besides mere EU funding, necessary to strengthen European defence industry?*

*We need more speed across the board...*

”

**Troels Lund Poulsen:** We must do more to ensure a coherent EU, that succeeds in taking advantage of the single market. By simplifying the legislative framework of the European Union, we are providing better conditions for member states effort to ensure defence readiness.

We need more speed across the board: from defence procurement and the transfer of defence products between member states to the initiating of new defence projects. This is exactly what the defence simplification package delivers.

*With the The Hague NATO summit having established military expenditure targets of 3,5 and 5% challenges will relate not only to reaching these targets but also what in turn they provide in military capabilites. In September you announced the Defence Agreement with historic investments in Danish defence. Which role do you see for public auditors in relation to these spending targets for contributing to a better EU defence?*

**Troels Lund Poulsen:** It is important to keep in mind that defence investment targets are not a new phenomenon, neither is reporting on collective defence spending. We already have an established practice for this in NATO where the Secretary General releases a yearly public report on the burden sharing of the Alliance. Further, there is also an established practice within NATO, where Allied spending vis-à-vis implementation of military capabilities is evaluated by the defence planning staff in NATO.

# EU's defence awakening and NATO – military aspects

By General Sławomir Wojciechowski and Colonel Jacek Czubak, Polish Military Representation to the NATO and EU Military Committees



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**With defence an emerging priority for policy-making, the EU appears to be serious about transforming the defence situation in its member states, in terms both of industrial capacity and of facilitating and integrating military capabilities on the ground. What do NATO experts see as the key principles that should guide the EU's defence decisions, and how can EU-NATO complementarity and synergies best be furthered without overlap and competition? General Sławomir Wojciechowski has been Poland's Military Representative to the NATO and EU Military Committees since 2019. His deputy, Colonel Jacek Czubak, is also Head of the EU Operations Division. In this article they share their insights on the core principles for EU defence preparedness. They stress that implementing the EU Treaty's solidarity clause is not only an issue of funds, exercises and fine-tuning; it also requires a different political and societal mindset – one that prioritises security and defence.**

## New EU strategies in a changing security environment

The European Union recently published two strategic documents in response to today's changing security environment: a white paper on European defence under the title '[European Defence Readiness 2030](#)', and the [Preparedness Union Strategy](#). Both documents take into account, among other factors, Russia's increasingly aggressive posture - as manifested in its war against Ukraine and its active targeting of EU structures, the side

effects of the strategic rivalry between the USA and China, and the multiple unresolved conflicts and tensions in the Middle East and Africa. They recognise that the current world order may be approaching a point of instability, with a growing number of countries sliding toward various forms of authoritarianism and some openly resorting to aggressive rhetoric, including threats of military force.

## Key military principles for EU defence preparedness

The first document, Readiness 2030, focuses on the 'means' for defence preparedness, in that it emphasises the need for a strong industrial and technological base, including military technologies, stockpile replenishment, and increased ammunition production. The Preparedness Strategy, on the other hand, concentrates on the 'ways' of achieving preparedness - the sociopolitical and institutional structures for responding to crises that could range from natural and man-made disasters to an armed attack on an EU member state. Both documents have the same objective - to create a secure environment - the 'objective' - for the EU and its citizens. Their common denominator is the overarching issue of security and defence.

When discussing these matters, the military dimension cannot be omitted. This is especially true of the following principles that should guide EU military development in the years ahead:

- complementarity with NATO;
- threat analysis as the basis for coherent defence capability development;
- a capability-driven and threat-informed approach;

- preparation for high-intensity, full-spectrum conflict, by applying two key provisions of the EU Treaties - the solidarity clause (Article 222 TFEU) and the mutual defence clause (Article 42(7) TEU);
- prioritisation of capability development; and
- the centrality of member states.

It is obvious that the EU cannot act autonomously. Preparations must be conducted in close cooperation with partners and international actors – primarily NATO – with which the EU shares fundamental values. Consequently, implementing both strategic documents must be a joint endeavour. From the military perspective, it should be emphasised from the outset that the primary task of the armed forces is preparing for war. The military does not assess the probability of war - that responsibility lies elsewhere. The military's task is to ensure readiness. War constitutes an existential threat, involving loss of life, destruction, and profound economic and social consequences. Conflict preparedness is therefore essential. Moreover, a state prepared for armed conflict is, by extension, better equipped to respond to other, less demanding crises.

## Operationalising the Treaty clauses and EU-NATO cooperation

From the military standpoint, preparations and capability development should begin with operationalisation of the mutual assistance clause. In the current security context, in which the boundaries between peace, crisis and war are increasingly blurred, and democratic EU states are exposed to hybrid operations steered by Russia, this must be undertaken in parallel with operationalisation of the solidarity clause. The mutual assistance clause also refers, for EU states that are NATO members, to their commitments to collective defence (under Article 5 of the North Atlantic Treaty). For this reason, preparations for armed conflict must include a thorough analysis and a clear definition of the respective roles and responsibilities of the EU and NATO.

Though the two organisations differ fundamentally in nature, in today's interconnected environment all instruments of power (DIME: Diplomatic, Informational, Military and Economic) - including the Military Instrument of Power (MIoP) - must be effectively employed. The division of roles is essential so that, in the event of crisis or war, responsibilities are already assigned, avoiding the delays that would be caused by political or institutional debates. As a politico-military organisation, NATO possesses all the necessary means to act - command and control structures, operational plans, and surveillance and warning systems. While NATO would naturally act as the first responder in wartime, however, it is difficult to

imagine the EU standing aside without contributing.

Operationalisation should involve a broad spectrum of exercises and experiments to allow comprehensive analysis of the planning challenges inherent in preparing counter-defence operations. Such exercises would help verify existing regulations and procedures, identify weaknesses, and - most importantly - serve an educational function. They would prepare participants intellectually and psychologically for the situations they might face. Mental preparedness for decision-making is crucial not only for military personnel but also for officials of the EU institutions, national administrations and - perhaps above all - political leaders. Preparedness means not only developing appropriate military capabilities, but also establishing coherent legal frameworks and procedures that will enable flexible and effective action against emerging threats, especially hybrid ones.

As NATO is responsible for the defence of European territory, the EU functions, in military terminology, as the 'rear area', sustaining and securing operations. The EU provides NATO with resources, capabilities and operational support. For this reason, distrust or unhealthy institutional rivalry must give way to a genuine willingness for mutual understanding and cooperation.

The 23 countries that belong to both the EU and NATO should play a key role in fostering this cooperation. Their dual membership gives them particular responsibility – yet their behaviour within the two organisations often reveals inconsistencies, at times amounting to a form of institutional 'schizophrenia'. Overcoming institutional egoism and prioritising cooperation over bureaucratic self-interest will be essential. Readiness 2030 is built on threat assessments – and there is limited time in which to act.

The EU, its member states, their institutions, and European society, all must fully understand the seriousness of the challenges ahead. It is therefore paramount to establish

a clear legal foundation – from the outset defining who is responsible for what, when, how, and in which circumstances. Perhaps the most difficult challenge will be overcoming legacy behaviours and deeply embedded beliefs. The era of post-Cold War stability and strategic comfort is ending. Unless it acknowledges this, Europe risks repeating past mistakes that have historically led to catastrophe. Europe must assume responsibility for its own security and become a provider of stability in its region and beyond, upholding the global order based on international law. Peace must be secured through strength. Russia's war in Ukraine is a brutal reminder of the consequences of failing to prepare.

## Societal resilience and the human dimension of defence

Another critical factor is the human dimension – the resilience of society. In a globalised information environment, the speed and volume of information exceed our ability to process and verify it, opening the door wide to disinformation, manipulation and societal fragmentation. So public information through education and transparent communication, while explaining the need for difficult decisions and fostering resilience, is crucial.

Capabilities include not only material elements – the doctrinal and the infrastructural – but also personnel and leadership. Soldiers issue from society; the better

our societal understanding of security and defence, the stronger our human military capability. After all, it is people that fight, not – or not yet – just tanks, aircraft and ships. Civil society is therefore the fundamental pillar on which the long-term implementation of both EU strategic documents must rest. A society that understands its responsibilities and the cost of security will be the best guarantor of Europe's future. Defence spending should be viewed as an investment in today's security and that of generations to come. Preparedness and deterrence are costly – but war is far more expensive. Ukraine is a reminder that the only thing more costly than waging war is losing a war.

## EU starting to address the European dimension of security

Within the EU framework, the military dimension of the defence agenda still awaits full recognition. As NATO faces political friction stemming from Euro-Atlantic differences, debate on the 'European dimension' of security has intensified. A positive development is that new capabilities are to be built in accordance with NATO's priorities, requirements and standards. But their effectiveness will depend on strengthened cooperation and harmonised procedures. Unless the EU is capable of

mounting a credible military defence of its territory, it will not be able to protect its citizens, values or way of life. This requires first acknowledging that global instability is rising and that the era of soft power alone is rapidly fading.



# Pioneering defence cooperation at EU level: the European Defence Agency

Interview with Lieutenant-General André Denk, Chief Executive of the European Defence Agency

By Gaston Moonen

**In the period following World War II most discussions about European defence were held between members of the NATO alliance. However, in the last few years, defence as an EU policy area has received much more interest and attention. There has in fact been a European Defence Agency (EDA) since 2004, set up to strengthen European industrial cooperation in defence, and with a very different legal basis from most other EU agencies.**

**What does the EDA do, how does it support or complement other EU or NATO activities? Lieutenant-General André Denk, the EDA's Chief Executive, who has a long military career of deployments under EU, UN and NATO mandates, explains the EDA's role and its contribution in ramping up EU defence cooperation.**

© European Defence Agency

## Defence cooperation – from optional to essential

*Lieutenant-General Denk, you were appointed Chief Executive of the European Defence Agency (EDA) in May 2025, the first military officer to hold this position. How would you describe the EDA to a non-military audience?*

*...it is essential to understand the real needs of the armed forces...*

”

**André Denk:** My career has taken me to several theatres of operation – Mali, Afghanistan and Bosnia-Herzegovina, and these experiences have profoundly shaped the way I think about action and decision-making. In today's geopolitical environment, marked by the return of high-intensity warfare to the European continent, it is essential to understand the real needs of the armed forces, and to make this operational reality part of our decision-making. It is just as important to explain clearly who we are and what we do to EU policymakers and non-military audiences alike.

*What was once optional (...) is now a necessity.* 

The EDA has been pioneering defence cooperation at EU level since 2004. What was once optional – cooperation, harmonisation, long-term capability planning – is now a necessity. The agency is there to work in the best interests of the EU member states and the EU as a whole.

We have a unique DNA. Unlike most EU agencies, we were established on the basis of one of the main EU treaties and were conceived as an intergovernmental cooperation platform for ministries of defence. Although the EU's High Representative for Foreign Affairs and Security Policy heads the EDA, we are directly financed and directed by the member states. Our main decision-making body is the EDA's ministerial Steering Board, where the defence ministers from the 27 member states meet twice a year to set the agency's strategic direction.

*In practice, what does the EDA do? What is its role in the EU defence set-up?*

**André Denk:** The EDA brings together the expertise, networks and insight needed to strengthen military cooperation, drive innovation and support Europe's defence industry. On our 20th anniversary in 2024, EU defence ministers agreed on a redefinition of the EDA's primary goals around five core tasks [see **Box 1**].

#### Box 1 - The EDA's five core tasks

The EDA is the platform for intergovernmental defence cooperation at EU level, supporting ministries of defence (MoDs) in all steps of the capability development cycle & beyond:

1. identifying shared capability needs and priorities at EU level;
2. enabling collaborative defence research, technology and innovation;
3. harmonising requirements and engaging in joint capability development;
4. aggregating demand towards joint procurement;
5. interfacing with EU civilian and defence policies & voicing MoDs' joint positions.

Since then, EU leaders at the European Council have confirmed our strong mandate and recognised our unique position in supporting member states throughout the entire capability development cycle – from research to procurement.

*...the European Defence Agency – helping member states work together, develop relevant capabilities and stay ahead of emerging challenges.* 

Imagine a cycling team of 27 riders. Each has unique strengths – one excels in the mountains, another in the sprint, another in challenging weather conditions. To win the Tour de France or Giro d'Italia, talent isn't enough; it requires teamwork and a dedicated support crew to plan strategy, assess performance, develop new equipment, purchase new material and manage training. In European defence, that support crew is the European Defence Agency – helping member states work together, develop relevant capabilities and stay ahead of emerging challenges.

## Not only more but also smarter defence investments

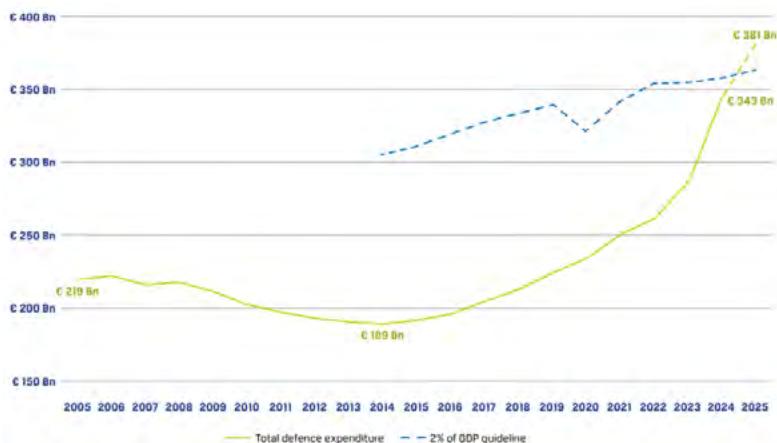
*Defence budgets have significantly increased in recent years. What is the EDA's contribution to this investment effort?*

*Member states remain firmly in the driver's seat when it comes to defence spending.*

**André Denk:** Member states remain firmly in the driver's seat when it comes to defence spending. They decide what to develop and procure, and how to use EU financial instruments. The EDA is there to support their efforts and identify and facilitate collaborative opportunities.

We are living in unprecedented times. Defence spending by EU member states reached €343 billion in 2024 and is expected to rise to €381 billion by the end of 2025 – nearly double the level of 2014. The position of defence in European policymaking has changed fundamentally [see **Figure 1**].

**Figure 1 – Total defence expenditure of EU member states vs previous NATO guideline (2% of GDP)**



Source: EDA, Defence data 2024-2025

Yet meeting the new NATO target of 3.5% of GDP will require further spending increases, reaching more than €630 billion annually. Beyond spending, we must underline the need for sustained investment in research and innovation, and for greater collaboration to avoid duplication and ensure efficiency and interoperability across Europe's armed forces.

*How does this tie in with the ongoing defence initiatives at EU level?*

*...listen to the military needs of end-users.*

**André Denk:** The Defence Readiness 2030 initiative sets a clear course: invest smarter in seven priority capability areas and two cross-cutting initiatives. The key principle is simple: listen to the military needs of end-users. If increased budgets are directed toward identified capability gaps, the risk of mis-investment is low.

The Security Action for Europe (SAFE) initiative is another turning point, providing up to €150 billion in loans for member states to strengthen their capacities. Many EU member states have already joined. The EDA is also playing its part. In record time, we set up a secure "Gov-to-Gov" platform to help member states find procurement opportunities and partners. We also work with the European Investment Bank to make it easier for European defence companies to access financing.

In research and technology, the EDA is taking part in more than 100 projects worth over €680 million. Earlier this year, I signed a new financial framework partnership agreement with the European Commission that entrusts the EDA with indirect management of over 40 European Defence Fund projects worth around €300 million.

Many of these efforts strengthen our technological leadership and reinforce the European defence industrial and technological base. They also contribute directly to supporting Ukraine.

*Could you provide a few examples of the EDA's contributions to EU defence cooperation?*

*Member states' willingness to cooperate has increased dramatically in recent years.*

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**André Denk:** Member states' willingness to cooperate has increased dramatically in recent years. As defence remains primarily a national competence, intergovernmental collaboration is essential for planning and delivering joint military projects. The EDA supports this cooperation at every level, from expert groups to major procurement programmes.

One recent example is OPEX – the European Defence Innovation Operational Experimentation campaign. Conducted under the Hub for Defence Innovation (HEDI) which is managed by the EDA, it aims to bridge the gap between promising innovation and real-world military capability. In summer 2025, 17 countries – certain EU member states along with Switzerland and Ukraine – gathered in Italy to test drones and unmanned logistics vehicles in real-life conditions. With 150 field participants and over 300 scenarios, the exercise helped assess technologies and overcome what is known as the “valley of death” where innovations often fail to reach operational use.

A second example is the Coordinated Annual Review on Defence (CARD), which compares national plans to identify synergies and collaborative opportunities. A new CARD cycle began in 2025, with bilateral dialogues and visits to all 27 member states. The next CARD report, to be published in 2026, will offer a detailed overview of national plans, identify capability gaps and highlight cooperative projects with the greatest potential impact. It can be seen as the “State of the Union on defence”.

## Intergovernmental funding affects accountability lines

*Could you briefly explain how the EDA is funded and externally audited?*

*The EDA manages three types of budgets, subject to specific external audit arrangements.*

”

**André Denk:** The EDA manages three types of budgets, subject to specific external audit arrangements. First, our general budget – covering our staff and running costs, as well as operational expenses based on the three year-planning framework – is approved unanimously by the EDA's Steering Board. This budget is funded by all 27 member states using the same GNI-based calculations used for the EU general budget.

Second, the EDA implements around 100 ad hoc budgets linked to projects financed solely by the member states taking part in each initiative, based on specific funding arrangements.

And third, we manage EU grants from the European Commission, such as those funded by the European Defence Fund, based on specific contribution agreements. This was made possible because the EDA successfully completed the “ex ante pillar assessment”, a comprehensive external audit of its internal control systems, confirming a level of protection of the EU's financial interests that is equivalent to that provided by other EU institutions.

The implementation of all three budget areas is audited annually by the College of Auditors, an independent body that reports to our Steering Board. The College is composed of three auditors proposed by the member states and appointed by our Steering Board for a period of three years. The EU funded grants fall under the scrutiny of the European Court of Auditors.

*And what are your expectations of external auditors?*

**André Denk:** At the EDA, we are firmly committed to the highest standards of financial management and transparency, particularly to the member states. Apart from verifying compliance with budgetary principles and sound financial management, auditing is important to provide actionable recommendations. These recommendations should help maintain or adjust robust governance structures and an efficient, effective control environment, while being mindful of the complex context in which EU agencies operate.

It is worth noting that, as an intergovernmental EU agency, the EDA is subject not only to formal audit mechanisms but also to continuous oversight by the 27 member states in its daily operations – often a level of scrutiny more intense than that applied to EU bodies funded by the EU general budget. This context underscores the importance of rigorous, objective and value-adding external audit work.

## Rapid adjustment to military needs

*The Russian war of aggression against Ukraine has fundamentally changed the security environment. What lessons does the EDA draw from this for future defence cooperation in Europe?*

*Ukraine has become a laboratory of military innovation.*

”

**André Denk:** Ukraine has become a laboratory of military innovation. The pace of development is extraordinary. Ukrainians are demonstrating remarkable creativity such as neutralising military equipment worth millions with low-cost drones.

Their model has three parts: a bottom-up approach, deregulation and decentralisation. Soldiers work hand in hand with engineers and developers. Solutions are designed, tested and deployed in real time. During my visit to eastern Ukraine last July, I was deeply impressed by the courage and ingenuity of both the armed forces and civilians.

Europe must invest more in research, technology and innovation to preserve its freedom of action. Innovation is not a luxury, it is essential for relevance, readiness and sovereignty. EU procedures, though robust, can be too slow. That is why we are launching campaigns such as OPEX, which allow rapid testing and adaptation based on military needs.

*Peace is the prize in the long-term race to step up defence.*

”

Peace is the prize in the long-term race to step up defence. It depends not on the goodwill of others, but on our ability to defend ourselves and deter aggression. That requires collaboration, interoperability and sustained investment. The EDA is committed to helping member states adapt their defence ecosystems to new requirements, while ensuring coherence, security and interoperability.

The most recent European Council conclusions are clear: EU leaders are calling for the EDA to be strengthened. We are ready to fulfil the tasks entrusted to us, and the EDA may well evolve from a facilitator to an initiator in the near future, depending on the guidance we receive from member states at the next Council meeting in December.

One thing is certain: I intend to be both ambitious and pragmatic in strengthening the EDA, in the interests of the 27 EU member states and of our EU as a whole.



# 'Providing insight and oversight on EU defence actions'

Interview with Marek Opioła, ECA Member

By Gaston Moonen

**At the ECA, it is the Audit Chamber for External action, security and justice which has always been responsible for the institution's audit work, including giving opinions on draft legislative proposals, in the area of EU defence action and expenditure. In this audit chamber, Marek Opioła was the reporting Member for the latest opinion and the most recent special report on EU defence matters. As he explains below, this is no coincidence, since throughout his career he has been both interested and active in this area. He discusses what the ECA has been doing in this connection – both in audit and beyond, what plans it has in the next few years, and what particular added value lies in the ECA's work on EU defence activities.**

## Understanding operational complexity on the ground

*You were rapporteur for the most recent ECA report on defence, [special report 04/2025](#) on EU military mobility, but also [opinion 02/24](#) on the European Defence Industry Programme. Your entire professional career indicates a particular interest in defence policy. Where does this interest come from?*

**Marek Opioła:** My interest in defence and security has always been more than theoretical – it is grounded in real-life experience. I have worked in various challenging settings, including at borders and military bases, in places such as Afghanistan, Iraq, Kosovo and Ukraine. This experience goes beyond simple curiosity; it reflects genuine knowledge and first-hand insights gained through working with sensitive materials and facing real operational challenges. I am eager to apply what I have learned to enhance the ECA's work and make our audits more impactful.

*As the reporting Member for these publications, what are for you the three main takeaways when auditing EU defence expenditure? And how do auditors cope with the dilemma of transparency and accountability on the one hand, and confidentiality on aspects of defence activities (and expenditure) on the other?*

**Marek Opioła:** First, security is paramount, so ensuring the money is spent wisely is our top priority. Second, with increasing funds and the volume of sensitive and classified information, having highly skilled auditors and clear, strong rules is more important than ever. Third, we must carefully balance openness with the need to protect sensitive and classified information. This requires smart procedures and close teamwork. Above all, building trust among all institutions involved in security is crucial. Simplifying procedures is also necessary, and it is also important that our audit results are

*...we must carefully balance openness with the need to protect sensitive and classified information.*

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understandable and visible, not only to EU citizens but also to governments, parliaments and oversight bodies. It's a challenging task, but it also offers a real opportunity to strengthen cooperation at all levels.

*The newly proposed multiannual financial framework would bring a fivefold increase in defence spending compared with the current MFF. A lot of this EU money is expected to tie in with national defence spending. What does this mean for your audit work on the spot – more cooperation with national audit authorities?*

**Marek Opiła:** We will need both types of audit moving forward. If the European Commission spends the money directly, the ECA will conduct the usual checks. However, when countries themselves execute most of that spending, working closely with their auditors becomes essential. Defence issues often involve classified information, so great care is required when sharing and auditing sensitive data. Our team must have the right skills and robust procedures to handle this complex environment effectively. This approach ensures that our audits remain fair and trustworthy – even as the challenges grow more intricate.

*One concern frequently expressed about EU spending is that, whenever there is a problem, the EU pulls out its wallet to spend billions of euros but does not always have the capacity to really resolve the underlying issues. Did the ECA come across this risk in its recent audits on EU defence expenditure? Building on the lessons learned through previous ECA audits in this area, what is your advice in light of the new MFF proposals on defence and security?*

*There is frequently a rush to spend vast sums without the underpinning of a coherent strategy or sufficient capacity.*

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**Marek Opiła:** Our audits clearly confirm such risks. There is frequently a rush to spend vast sums without the underpinning of a coherent strategy or sufficient capacity. The findings in [special report 10/23](#) on defence research and [special report 04/25](#) on military mobility suggest that politically-driven spending, when hasty and poorly prioritised, often produces uneven results. The critical lesson is that large-scale public spending has a greater chance of being effective only if supported by clear strategies, reliable long-term funding, strong governance structures, and a real ability to deliver outcomes at both EU and national levels. Otherwise, money risks being wasted or failing to address the real challenges.

## ECA work extends beyond audits alone

*How do you perceive your role and that of your private office in the ECA's day-to-day work on defence audits and missions on the spot?*

**Marek Opiła:** My private office functions as a vital connector – operationally, technically and diplomatically – to ensure our defence audits run smoothly. We prepare thoroughly for sensitive missions, whether they take place in stable or challenging locations. For example, in 2023 we successfully carried out a mission in Kyiv, demonstrating effective teamwork amid complexity. In 2025, however, our planned return to Kyiv for a subsequent audit was thwarted by logistical constraints. Similarly, our scheduled audit mission to Armenia was also tense, as it required navigating significant diplomatic risks caused by another third country openly hostile to the EU.

*At the ECA you have been active in organising meetings, through workshops and seminars, between military veterans and ECA staff. What is your main objective with these meetings, and what feedback have you received from auditors?*

*...understanding the intense psychological pressures on soldiers (...) is crucial.*

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**Marek Opiła:** Bringing Polish veterans from Afghanistan to the ECA's Disabilities Awareness Week aimed to broaden our staff's perspectives and deepen understanding of real military service experiences. Amid ongoing challenges, like the mental health effects of the COVID-19 pandemic, understanding the intense psychological pressures on soldiers – both during missions and upon reintegration – is crucial. These encounters foster empathy and encourage open dialogue, strengthening the link between military

realities and civilian audit work. Feedback from both veterans and staff was overwhelmingly positive, leaving a tangible impact on our audit culture.

*On 30 June 2025, the ECA hosted a conference on defence, organised by you and your colleague Bettina Jakobsen. What was the purpose of this conference, and what were the main takeaways for the ECA in its role as external auditor?*

**Marek Opioła:** The timing of the ECA Defence Conference was ideal, coinciding with Poland handing over the presidency to Denmark – two countries deeply invested in defence and security. We gathered military experts, national audit authorities, EU officials and key policymakers for candid discussions on the EU's most pressing defence challenges. The high turnout of speakers, many attending in person, fostered dynamic exchanges beyond the formal panels. I would like to express my gratitude to the Luxembourgish Member for arranging the participation of local guests, and to everyone who contributed to the smooth logistical coordination of both in-person and remote speakers.

Members from our audit chamber led various sessions, demonstrating our team's unity and commitment. The event highlighted urgent issues: strengthening the EU's defence capabilities and industrial base, ensuring smart spending, and enhancing oversight. Discussions ranged from cooperation and financing to auditing and parliamentary scrutiny. For the ECA, the key lesson is that our strength lies in collaboration, openness, and leadership that bridges diverse ideas and people – even amid complex and hybrid security issues. This approach is essential to driving real, lasting change.

*...our strength lies in collaboration, openness, and leadership that bridges diverse ideas and people...*

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## Greater audit ambition reflects expanded EU defence activity

*The ECA has recently published its [2026+ work programme](#). What is in the pipeline when it comes to ECA audits on defence, and what is the reasoning for the choice of audit topics?*

**Marek Opioła:** Defence and security currently take up a small share of the EU budget, but their significance is increasing rapidly. Our 2026+ work programme will focus closely on new instruments such as the European Defence Fund [EDF] and legislation supporting ammunition production. We also plan to carry out a comprehensive review of all funding mechanisms, including those outside the official EU budget, to ensure our audit mandate covers the evolving landscape appropriately. This review aligns well with our objective to provide insight and oversight on EU defence actions. It is expected to be ready in late 2026. We are also auditing international nuclear safety cooperation, given Europe's many border-area power plants, with results due in spring 2026. Defence funding and accountability remain crucial topics for everyone's security, so more work is forthcoming.

*Defence funding and accountability remain crucial topics for everyone's security...*

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*What do you consider the main challenges for the ECA when it comes to auditing EU defence expenditure in the next couple of years?*

**Marek Opioła:** Our principal challenge is to maintain audit independence, credibility and timeliness against a rapidly changing security backdrop. Defence issues now demand urgent attention, with increasingly pacey and complex money flows that stretch conventional oversight systems. In close partnership with national supreme audit institutions, we must build genuine trust and evolve from mere conference talk towards concrete actions supported by transparent and efficient frameworks.

*...our current mandate does not permit secret audits.*

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As the security environment transforms, our audit methods and mandate must adapt as well. Many defence matters are classified, yet our current mandate does not permit secret audits. It may therefore be time to explore new parliamentary publication models or rapid-review mechanisms that

*...defence auditing goes beyond financial scrutiny and simply counting numbers...*

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leverage stronger interoperability with national audit bodies. This requires further debate, but openness combined with authentic cooperation could significantly enhance our impact.

Ultimately, defence auditing goes beyond financial scrutiny and simply counting numbers; it demands judgement on capabilities, readiness and resilience – areas that are tough to quantify – requiring expert-backed audit methods to demonstrate real strategic outcomes. Fast, high-quality audits matter most to inform policy effectively. As we cautiously explore new technologies such as AI, we must ensure they contribute to increased security and do not introduce new risks.



# The future of European defence: evolving threats, policy development, and the ECA's role

By Laima Andrikienė, ECA Member



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**As war rages on Europe's eastern flank, the illusion of guaranteed safety has been shattered for EU member states. The threat is no longer abstract-drones and cyberattacks can breach our borders at any moment, making physical security a pressing concern for all. How we perceive these dangers is shaped not only by our geography, but also by our histories. Drawing on her firsthand experience, Laima Andrikienė, ECA Member in the Audit Chamber for External action, security and justice, offers a frank and layered perspective. Her reflections - both institutional and personal - speak to the challenges of protecting the Union in uncertain times and highlight the role the ECA plays in strengthening Europe's collective defence.**

## A pivotal moment for European security: Europe on alert

A shadow drone war is being waged against peaceful European NATO nations that support Ukraine, according to experts, who say dozens of incursions have occurred over the past months -many of which appear to have strong links to Russia. The latest wave of incidents began on September 10, when 19 suspected Russian drones entered Polish airspace during an attack on Ukraine, leading to an emergency military operation to shoot them down. In the 27 days between September 9 and

October 6 2025, at least 39 drone-related incidents were reported in countries as far away as Norway in the north-west and Belgium and the Netherlands in the west, according to research [compiled by the Center for European Policy Analysis](#) (CEPA). In November, Brussels airport was forced to close temporarily after drones were spotted nearby. They were also seen in other locations, including a military base, and Belgium rushed to secure its drone defences. And, on 15 November 2025, an

unprecedented act of sabotage took place when the railway line in Poland used to transport aid to Ukraine was destroyed by an explosion, further escalating concerns about the vulnerability of European infrastructure.

Right now, Europe is at an extraordinary juncture in its approach to defence and security. The very ground beneath our feet feels altered by seismic geopolitical

events - Russia's ruthless invasion of Ukraine being the starker. For all of us living in the EU, these changes have upended the long-held belief that peace on our continent is a given. We're being called, collectively, to confront uncomfortable truths about the threats we face, the limits of our readiness, and our determination to stand together.

## A changing security landscape: old shadows, new fears

The world many of us grew up in has shifted. Europe's security environment is no longer stable or predictable. Russia's full-on assault on Ukraine has violently shattered the illusion that war is something that happens elsewhere. As missiles and drones fall perilously close to home, millions across the EU are living with a renewed sense of vulnerability. The targeting of critical infrastructure - airports, power grids - makes the threats painfully real, even for countries once thought secure.

But the fear is not felt equally everywhere. In border nations like Lithuania and Poland, the sense of danger is palpable. The Suwałki Gap - the slender corridor between Poland and Lithuania, connecting hostile neighbours Belarus and the Russian exclave of Kaliningrad (see **Box 1**) - has long haunted military planners.

It is not just a spot on the map to us; it's both a lifeline and a potential trigger point. I recall countless discussions with local friends and family about what might happen if it were cut off. Western experts, such as the former Commanding General of the United States Army in Europe, Ben Hodges, have warned of it, but for those of us whose lives are entwined with these borders, it's a constant, lived anxiety. To help visualise this, take a look at the schematic map of the Suwałki corridor. It's a stark reminder: this narrow strip of land, often described as NATO's most vulnerable point, is central to Europe's security planning.



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### Box 1 - Quotation from the [article The Suwałki Gap](#): why this small part of Europe could have global implications

Kaliningrad (Königsberg) was once a German-speaking part of East Prussia, which joined a unified Germany in 1871. Immanuel Kant, the Enlightenment-era German philosopher whose ideas set the stage for the same EU presently at odds with Russia, was born there (his occasionally vandalised tomb is still a tourist attraction).

The Soviet Union incorporated the area as World War II drew to a close, and named it after the Bolshevik revolutionary Mikhail Kalinin. Some 400,000 Russian settlers arrived in 1948 alone, as Germans were expelled. When the Soviet Union came to an end, the Russian Federation retained Kaliningrad.

Meanwhile, in Western EU member states, the immediate threat sometimes feels more distant - less visceral. Building a real sense of shared urgency across the Union is fundamental if we are to protect one another effectively. But for me, all this is also deeply personal.

Here is something from Politico.eu about my hometown, Druskininkai, located in the southern part of Lithuania (see **Box 2**).

## Box 2 - Quotation from the article The most dangerous place on earth

Strolling amid the ornate 19th-century villas, fountains and lakes that dot this sleepy spa town, it's easy to forget that you're standing in Vladimir Putin's crosshairs. Nestled on Lithuania's southeastern border, Druskininkai opens onto a narrow notch of strategic territory known as the Suwałki Gap.

Stretching about 100 kilometres along the Lithuanian Polish frontier, between Belarus in the east and the Russian exclave of Kaliningrad to the west, Western military planners warn the area would likely be one of the Russian president's first targets were he ever to choose to escalate the war in Ukraine into a kinetic confrontation with NATO. You wouldn't know it by looking at it and that, say Eastern European officials seeking to draw attention to the Western military alliance's vulnerabilities in the east, is at the heart of the problem.

Published in Politico.eu on 20 June 2022

(<https://www.politico.eu/article/suwalki-gap-russia-war-nato-lithuania-poland-border/>)



Druskininkai.

© Julix Source: Wikidata [https://www.wikidata.org/wiki/Q1261509#/media/File:Druskininkai\\_fountain.jpg](https://www.wikidata.org/wiki/Q1261509#/media/File:Druskininkai_fountain.jpg)

## Milestones and challenges in EU defence policy

Since 2016, the EU has made genuine progress in bringing member states together on defence. The European Defence Fund (EDF), the Permanent Structured Cooperation (PESCO) initiative, and new strategic frameworks have been launched with the aim of moving beyond rhetoric to real action. This shift is driven by the understanding that Europe must be able to defend itself, both independently and as a steadfast NATO ally.

Several hard challenges stand out:

- funding the future: even as NATO sets out bold targets - like 5% of GDP for defence by 2035 - the true test will be channelling this money smartly, not just spending for the sake of it;
- readiness and NATO alignment: making sure that EU defence efforts support, not duplicate, NATO;

- building up industry: the Russian war of aggression against Ukraine has laid bare the fragility of EU defence manufacturing, and with all the will in the world, the EU couldn't deliver 1 million artillery shells to Ukraine in 2024 - evidence of manufacturing bottlenecks and supply chain woes;
- innovation and supply chains: the pandemic revealed how easily supply lines can crumble - in a crisis, securing what we need for defence is even harder.

The European Commission's 'defence roadmap' is ambitious, calling for stronger eastern borders, the development of air and space defences, and rapid deployment of technologies like anti-drone systems by 2027. By 2030, the intention is to reach full readiness - so Europe can truly deter threats, prevent war, and keep the peace.

## A watchful eye on policy and funds

Given all these sweeping changes, the ECA is as guardian, looking closely to ensure that defence money is spent wisely and transparently. As EU defence projects have

grown in scope, the ECA's scrutiny has become more important than ever, providing both comfort and challenge to policymakers.

Recent ECA audit work has offered valuable insights:

- [Special report 10/2023](#): our audit of the Preparatory Action on Defence Research (PADR) identified important lessons on cooperation but found that short timelines and the lack of a long - term strategy limited its impact. Research tended to cluster in established defence nations, with too little thought given to how to use the results.
- [Opinion 02/2024](#): reviewing the proposed European Defence Industry Programme (EDIP), we flagged concerns that the €1.5 billion budget and two-year rollout were insufficient to truly strengthen the defence industry - especially for supporting Ukraine.
- [Special report 04/2025](#): in our assessment of military mobility, we highlighted persistent hurdles in moving troops and equipment across EU borders, despite the allocation of a €1.7 billion budget. Design flaws and implementation setbacks continue to block seamless movement in times of crisis.

Time and again, the ECA's reports have called for stable funding, better coordination, and stronger systems of accountability. Our recommendations help shape how new defence frameworks are crafted and implemented.

The renewed focus on military mobility, also prompted by our findings, has led to a dramatic increase in funding proposals - recognising that moving forces rapidly across Europe is just as crucial as high-level strategic planning. There's also a new appreciation for long-term innovation, with tools like the Security for Action for Europe (SAFE) loans and the European Defence Industry Programme being designed to plug gaps and foster resilience.

Looking ahead, the ECA's [planned audits for 2026+](#) -covering ammunition production, the performance of the EDF, and the common procurement framework-are likely to have an impact on how the EU prepares for and responds to threats.

## Looking ahead: challenges and hope

The journey towards truly credible and independent European defence is fraught with obstacles, but also full of hope. The EU's next multiannual financial framework (2028–2034) envisions a major increase in security funding, with the European Competitiveness Fund possibly dedicating €131 billion to defence, security, and space - a fivefold jump from previous years. This bold move signals a willingness to do what it takes to build a resilient Defence Union.

For the coming years, EU defence actions and initiatives show clear priorities:

- boosting industrial capacity: more investment is needed to expand our ability to produce critical defence equipment, cut delivery times, and fortify supply chains;

- working with allies: staying closely linked to NATO is vital - especially to pinpoint and close capability gaps, and to ensure that EU systems and forces work seamlessly together;
- targeting funding: deploying tools like SAFE loans and the new MFF strategically, focusing on missile defence, drones, and cyber resilience;
- enhancing regional flexibility: empowering member states and regions to develop defence projects tailored to their unique threats and strengths, using both national and EU resources;
- strengthening oversight: continued vigilance from the ECA and member states' supreme audit institutions will be crucial in turning increased funds into genuine improvements on the ground.

## A time to act-and to remember

European defence stands at a historic crossroads. The scale of the challenges before us is sobering, but so too is the determination to drive meaningful change. Recent years have made it painfully clear that we must move beyond plans on paper, towards practical, effective, and credible action.

For me, as someone whose homeland, Lithuania, has lived the consequences of Soviet occupation and whose future depends on the choices we make now, these issues are not abstract. Personal stories - my family's, my

compatriots' - are interwoven with the broader tapestry of European security. These experiences, together with the steady oversight of institutions like the ECA, should guide our path forward.

I hope that our independent assessments and pragmatic recommendations will be indispensable as the Union enters its next, critical phase. Only through rigorous oversight and heartfelt determination can we hope to truly safeguard our citizens and preserve the values and freedoms that define us.

# EU defence – a financial landscape in the making

By Kinga Wisniewska-Danek and Bernard Witkos, private office of Marek Opiola, ECA Member



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**Faced with the return of high-intensity warfare on the European continent with Russia's war of aggression against Ukraine since 2022, the EU has moved defence high up on its agenda. The EU defence landscape is rapidly evolving, becoming more complex and therefore worth a closer look. Kinga Wisniewska-Danek, head of ECA Member Marek Opiola's private office, and Bernard Witkos, attaché of the same office, explain what shapes this landscape financially, discussing recent EU initiatives and the challenges of auditing them.**

## EU's military spending relatively small but increasing rapidly

Defence is a specific domain, at the heart of member states' national sovereignty. In 2024, EU member states' spending on defence amounted to €343 billion, a 19% increase compared with 2023<sup>1</sup>. Ultimately, the EU's success and future in the field of defence is entirely dependent on the will of the member states, as they play the central role in Europe's defence architecture. While the EU has introduced new instruments, EU defence funding remains marginal compared to national spending.

Under the current multiannual financial framework (MFF), the EU has put in place programmes with a total budget of some €10 billion to complement actions taken at national level. The biggest programme is the *European Defence Fund* (EDF) supporting collaborative, cross-border research and development in the area of defence, with a budget of nearly €8 billion. The *Connecting Europe Facility* (CEF) includes a dedicated military mobility allocation of €1.69 billion. Finally, there are two smaller short-term instruments: the *Act in Support of Ammunition Production*

<sup>1</sup>[European Defence Agency Defence data 2024-2025](#).

(ASAP), with a budget of €500 million, aiming to ramp up ammunition production capacity across Europe to help member states refill their own stocks and deliver ammunition to Ukraine; and the *EU Defence Industry Reinforcement Through Common Procurement Act* (EDIRPA), worth €310 million.

By November 2025, the entire allocations to ASAP, military mobility (CEF) and EDIRPA had been committed to projects, indicating that this is an area of great interest to applicants. The implementation of these projects is currently under way. Approximately two thirds (€5.4 billion) of the EDF's total funding, has already been contracted to projects (see **Figure 1**).

**Figure 1 – Financial implementation of defence-related instruments in the EU budget, as of November 2025 (%)**

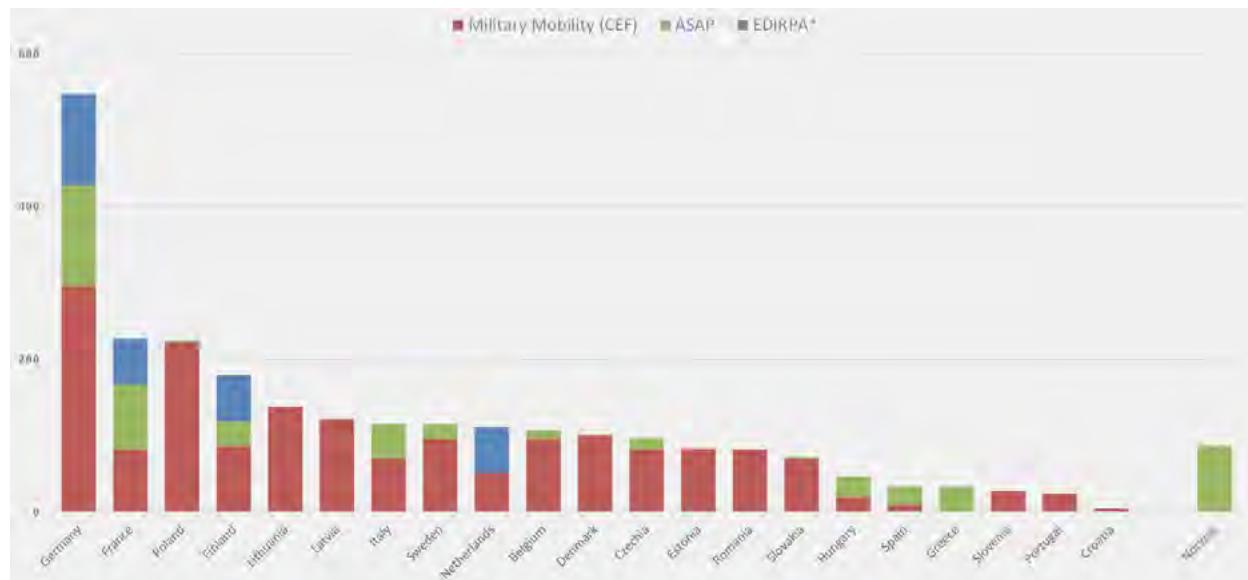


Source: Authors' presentation, based on the Commission data (data on funds spent refers to December 2024)

Altogether, the European Commission approved 95 military mobility projects under CEF, 31 ASAP projects and 6 EDIRPA projects, involving participants from 23 member states. There is a high concentration of funding in the eastern and central parts of the EU, with nearly half of the funds allocated to six member states: Germany, France,

Poland, Finland, Lithuania and Latvia (see **Figure 2**). This is consistent with what the ECA observed during our military mobility audit (see [special report 04/25](#)). We witnessed a greater sense of urgency in discussions with member states located closer to the eastern NATO flank.

**Figure 2 – Allocation of EU funding to military mobility, ASAP and EDIRPA, by country (in million euros)**



Source: Authors' presentation, based on Commission data, \* EDIRPA funding attributed to coordinators of five EDIRPA consortia due to lack of data of funds are distributed among 20 participating member states.

To respond to the changing security landscape, the EU is ramping up the defence spending with several new instruments:

1. The *European Defence Industry Programme* (EDIP) (proposed in March 2024, with a budget of €1.5 billion), covering grants to bolster the EU's defence sector and aimed at bridging the gap between ASAP and EDIRPA until the next MFF.
2. The possibility of *redirecting some cohesion policy funding* to strengthen capacities in the defence sector and military mobility, proposed in April 2025, in light of the slow implementation of 2021-2027 cohesion policy. Although the exact amount to be reallocated remains uncertain and at the member states' discretion, it is potentially considerable. As of the end of 2024, member states still had *not used some €367 billion* (93%) of the total allocation of €395 billion.
3. The *Security Action for Europe (SAFE)* loan instrument (adopted in May 2025 with a budget of €150 billion), to provide loans to member states based on their national plans (19 member states have expressed interest by the end of November 2025). This EU funding is complemented by a *temporary relaxation of the EU's fiscal rules*, allowing member states to apply a national 'escape clause' so they can increase defence spending by up to 1.5% of GDP. The Commission estimates that this measure could *generate up to €650 billion* in defence spending by member states.

4. Lastly, in July 2025 the Commission presented the legislative proposals for the 2028-2034 MFF, with three main instruments to support defence:
  - (i) *the European Competitiveness Fund*, with an indicative allocation of up to €125 billion for investments in resilience, security, defence industry and space; (ii) *the Connecting Europe Facility*, with a military mobility budget of €17.6 billion; (iii) *the National and Regional Partnership Regulation*, under which member states can allocate part of their national allocations to finance investments strengthening EU's defence industrial base and military mobility. It remains to be seen whether this level of ambition will be maintained in the final MFF legislation.

The substantial increase in defence-related funding deployed over a short period of time will require strengthened operational capacity. The EU institutions have taken some first steps towards this goal: the Directorate-General for Defence Industry and Space (DG DEFIS) was created in 2020 and, in 2024, the Commission appointed its first ever EU Defence and Space Commissioner to help coordinate these efforts at the European level. In December 2024, *the European Parliament created a Standing Committee on Defence and Security* (SEDE). However, implementation capacity will need to be further strengthened and demonstrated along the way.

## Auditing EU defence spending: insights and lessons learned

A common theme emerging from the ECA's work is that governance at EU level in the area of defence is complex, fragmented and involves many stakeholders. When auditing military mobility, not only we auditors, but also member state representatives, wondered: 'Who do I call if I want to talk to Europe?' We found there was no central function or body in the EU coordinating military mobility measures. That is why we recommended streamlining coordination, for instance by appointing a single point of contact.

The findings of the ECA's audit of the Preparatory Action on Defence Research (PADR) (see [special report 11/2023](#) and ECA [opinion 02/24](#) on the EDIP also pointed to the need to devise a long-term funding strategy for defence. Our audit on military mobility (see [special report 04/2025](#), for more details page 47 found that the entire EU budget for military mobility had been made available quickly, which sent an important political signal. However, it also led to a lack of stability and predictability in this EU funding. With no more money in the pot, there would be a gap of over four years until the next budgetary period. Such a long vacuum can cause delays in additional investments and a loss of experience among stakeholders in obtaining EU funding. We therefore recommended

assessing the possibility of using general transport funds to finance military mobility bottlenecks and taking steps to improve the predictability of funding under the next MFF.

Another lesson learned from the ECA's work on defence is that *funding should be better targeted* at the most urgent priorities, especially when the amount available is not substantial. In the military mobility report, we noted that individual major infrastructure projects often cost more than the €1.69 billion made available for all 27 member states combined over the seven-year programming period. The amount of EU funding plays a key role in determining how much leverage the EU can have in influencing military mobility policy choices. Particularly when EU funding is limited, a proper needs assessment and selection of actions become vital for maximising EU added value.

The Financial Regulation provides a variety of models for the implementation of EU funding instruments, the most commonly used one being based on the reimbursement of incurred costs. However, a new delivery model known as *financing not linked to costs* (FNLC) was rolled out on a large scale in 2021 through the Recovery and Resilience

<sup>2</sup>[ECA's annual report 2024](#), figure 2.8.

Facility (RRF). It ties payments to the fulfilment of specific conditions and/or the delivery of results, rather than to costs incurred. Our [work](#) has revealed challenges with FNLC, including poorly defined payment conditions and methodology; insufficient focus on compliance with EU and national eligibility rules; lack of transparency in funding; and insufficient focus on results. FNLC is already used in one of the four EU instruments that currently support defence-related investments: EDIRPA. Funding provided through ASAP is determined by lump sums based on cost estimates, which is, in essence similar to the FNLC approach. Proposals for all future instruments, including EDIP and 2028-2034 MFF funding programmes, suggest that FNLC is likely to become the predominant delivery model for EU defence investments. Consequently, the challenges the ECA has identified with using FNLC are likely to arise in the defence context.

## Challenges in auditing defence

Audits in this area come with particular challenges. Firstly, there are *limitations on the ECA's mandate*, which covers only projects funded from the EU budget but not projects financed outside of the EU budget, such as those implemented under Permanent Structured Cooperation (PESCO), the European Peace Facility or the European Defence Agency. Even where they do have the necessary mandate, our auditors face *difficulties in receiving information from member states*. For example, we struggled to obtain responses to the survey we carried out for the PADR audit. Unlike finance ministries or bodies managing EU funds, who know us well, we are not a regular 'client' for ministries of defence. For our military mobility audit, we conducted on-site visits in seven member states – a very positive experience as this greatly facilitated access to information and allowed us to clarify our role, build a relationship of trust and enhance our audit insights, given that member states are the ones in the driving seat when it comes to defence.

## Outlook for the future

As EU defence initiatives gain momentum, we at the ECA are devoting more attention to this area, not only in our performance audits, but also in our reviews, opinions, and recurring work for the statement of assurance. Building on work in this area, the [ECA's 2026+ work programme](#) includes an audit on the EDF. We will assess whether the EDF is effective in enhancing the competitiveness and innovativeness of the European defence technological and industrial base and thus contributing to the EU's strategic autonomy. Our audit on ASAP will check whether this programme has been effective in expanding manufacturing capacities and reducing production lead time to ensure the timely supply of ammunition and missiles to Ukraine and help member states refill their stocks.

The Financial Regulation requires EU programmes to establish *performance frameworks with indicators* to guide implementation and facilitate effective monitoring, based on the principle that 'what gets measured gets done'. However, this is challenging in the area of defence – as it is a member state competence, the Commission may only advocate for action and lacks enforcement powers. In our military mobility audit, we found that the 2018 EU's action plan on military mobility *lacked indicators and specific targets* with deadlines for all actions, preventing us from evaluating the progress achieved. In that vein, our [opinion 02/2024 on EDIP](#) also highlighted a lack of performance indicators, along with baselines and target values, and flagged potential difficulties in obtaining full data due to national security considerations.

Other challenges in auditing defence concern the issue of *auditability*. Much of the EU's current activity in this area commenced fairly recently and, as such, is in the early stages of implementation. Results need time to materialise. That is why, when planning our work, we decided to start with a review and only later moved on to performing audits in the area of defence. Another challenge is *building staff expertise*, to allow staff to benefit from synergies in future audit assignments.

Auditing defence often requires working with classified documents, so a challenge for our institution is to *build a pool of staff with valid security clearance*. Obtaining such clearance can take a very long time (depending on the member state) and entails an invasion of the privacy of the people undergoing the process. Additionally, challenges can arise in *reporting the results of our work*, as certain details cannot be disclosed because they are classified or sensitive from member states' perspective. What we tend to do instead is present such information in an aggregated and anonymised form.

The ECA is also launching a review entitled 'EU defence in the spotlight', which will present the institutional, funding and accountability landscape in this area, aiming to highlight the main risks associated with the EU's new level of ambition and recent defence initiatives. This review is expected in the second half of 2026. Finally, the ECA is also working on opinions on the Commission's legislative proposals for the 2028-2034 MFF, which we will publish in early 2026. In our [2026-2030 strategy](#), the ECA has selected security and defence as one of the four strategic areas for our audits, since defence funding and accountability remain crucial topics for everyone's security and are becoming even more so.

# Auditing EU defence policy: the ECA's audit of EU military mobility

By Joël Costanzer, External action, security and justice directorate



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**European defence has become a strategic priority for the EU. With the recent addition of new instruments financed by the EU budget, EU defence is also a new and expanding audit area for the ECA. The ECA has so far produced two special reports on EU defence that examined some common challenges. The more recent report dealt with military mobility, a crucial area in the event of an armed conflict. Senior administrator Joël Costanzer worked as head of task on both ECA reports. He provides insights into the challenges faced when auditing EU defence expenditure. He covers some of the key conclusions and recommendations of the ECA's last report in this area, and how they have received widespread attention. He also highlights some of the financial changes proposed for the next Multiannual Financial Framework period (2028-2024).**

## A new audit area for the ECA

In the past, EU defence focused on external crisis management, i.e. outside the EU. Russia's military aggression against Ukraine which started on 24 February 2022 created a completely different security situation in Europe. In the 2021-2027 Multiannual Financial Framework (MFF), even before this major geostrategic change, the EU budget first included defence funding that was intended to support the member states' territorial defence. Particularly noteworthy are the European

Defence Fund dealing with defence research and development (€9.5 billion), and military mobility funding under the Connecting Europe Facility (CEF) (€1.7 billion). Various smaller instruments were added over time<sup>1</sup>. The European Peace Facility, which was created in March 2021 with a total budget of more than €17 billion for the current MFF, is not financed by the EU budget. It is used, among other things, to deliver military aid to Ukraine.

<sup>1</sup>Such as the European Defence Industry Reinforcement through the common Procurement Act, and the Act in Support of Ammunition Production.

In recent years, the ECA has produced [Review 09/2019](#) on European defence and [Opinion 02/2024](#) concerning the proposal for a Regulation of the European Parliament and of the Council establishing the European Defence Industry Programme and audited defence-related expenditure as part of the annual statement of assurance. In terms of special reports, the ECA has so far produced

[special report 10/2023](#) The Preparatory action on defence research - Some lessons learned, but value as a testbed for increasing EU defence spending reduced due to time constraints and limited results, and [special report 04/2025](#) EU military mobility – Full speed not reached due to design weaknesses and obstacles en route. The ECA is currently building up capacity for defence audits.

## Common challenges for our two EU reports on defence

Both of our special reports shared similar challenges. First, as EU defence is evolving rapidly and is a new audit subject at the ECA, we had initial difficulties engaging with new key stakeholders. For both audits, it was particularly important for us to exchange views with ministries of defence, with which the ECA had not previously had any contacts. As defence is a national sovereignty, ministries of defence are not our auditees, but they are key stakeholders. They are the sole customers for EU-financed research projects and key customers for dual-use infrastructure projects. For our military mobility audit, this difficulty was compounded by the fact that we wanted to have a very robust foundation for our report, and so visited seven member states, including seven ministries of defence. In the end, we had very useful meetings and discussions with all of them.

When we met key stakeholders, such as ministries of defence, but also defence-industry companies receiving EU funding for research and development projects for our audit on Preparatory Action on Defence Research (PADR), they often emphasised that EU defence instruments have so far mostly been short-term. Ministries of defence and defence-industry companies insisted that the EU needed to have a long-term view, whether for research and development or for military mobility.

Following up on our PADR special report, as the [Commissioner explained at the European Parliament hearing for the 2023 discharge](#), the European Commission adopted a European Defence Industrial Strategy (EDIS) jointly with the EU High Representative for Foreign Affairs

and Security Policy, and presented a legislative proposal establishing the European Defence Industry Programme (EDIP). For military mobility, once all EU military mobility funds had been allocated, the Commission completed a gap analysis with contributions from member states, with a view to drawing up a plan to address priority infrastructure gaps and quantify the EU funding needed for the next MFF.

The PADR projects were managed either directly by the Commission's Defence, Industry and Space Directorate-General (created in January 2020) or through a delegation agreement with the European Defence Agency. For our military mobility audit, the number of stakeholders from within the EU was even higher and posed another challenge, with a larger number of stakeholders to identify and interviews to carry out.

In contrast to our usual audit procedure, for both special reports we examined ongoing actions, with the aim of producing relevant and useful recommendations that could still have an impact while the programmes were progressing. This meant that, in many instances, the end results of EU-financed actions were not yet available and we were unable to provide a full assessment of effectiveness.

Lastly, all audit team members for both audits required security clearance, which can be difficult to obtain in certain member states.

## EU military mobility is crucial in the event of armed conflict

The phrase 'logistics wins wars', is generally attributed to World War I US General John J. Pershing. The concept of a 'European Schengen' for military mobility in Europe to enable the swift and seamless movement of military personnel, equipment and assets at short notice and on a large scale, has existed for more than 10 years now.

The Commission's initial proposed budget for dual-use transport infrastructure was €6.5 billion at current prices. The impact of COVID-19 on the 2021-2027 MFF is one

of the reasons why the first-ever EU budget for military mobility of €1.7 billion was much lower. Also, and most importantly, the amounts for that period were adopted before Russia's war of aggression against Ukraine actually started. Military mobility has since become an even greater priority for the EU's defence capabilities.

Awareness of the problems posed by military mobility in Europe has increased. In recent years, the media have given several specific examples of military-mobility issues

in the EU, linked to various factors such as complicated rules for cross-border movement permissions, differing regulations around Europe, and inadequate infrastructure that could not support the weight of heavy military equipment. Several high-level conferences have taken place, such as the High-Level Symposium on Military

Mobility that was organised in January 2024 by the Belgian Presidency of the Council of the EU and the European Defence Agency.

## Extensive audit work for our military mobility audit

On 10 November 2022, the European Commission and the High Representative of the EU for Foreign Affairs and Security Policy jointly published a new Action Plan on Military Mobility – Action Plan 2.0 – following an initial

action plan published in 2018. The new plan includes 38 actions: 29 EU-level actions and nine invitations calling upon the member states to act. These are divided into four main pillars, as shown in **Figure 1**.

**Figure 1 – Action Plan 2.0's four main pillars**



Given these four pillars, the action plan can be divided into two major areas: the first concerns dual-use infrastructure projects that are 50% co-financed by the EU, while the second concerns administrative and procedural aspects of military mobility. These two aspects are complementary. Action Plan 2.0 covers the 2022-2026 period. We audited the period from September 2021 – when the first CEF military mobility call was launched – to April 2024. We selected 24 projects with a planned EU financial contribution of €642 million for detailed analysis, and visited five of these projects – with EU co-financing of €175 million – in Germany, Estonia, Lithuania, Poland and Portugal.

Our main objective was to assess whether Action Plan 2.0 had been built on solid foundations and was on track to reach its objectives. To do so, we met representatives from several Commission directorates-general, the European External Action Service (EEAS), including EU Military Staff, and the European Climate, Infrastructure and Environment Agency (CINEA). We consulted the European Defence Agency, the Permanent Structured Cooperation (PESCO) military mobility project, NATO international staff, a think-tank working on military mobility, and an academic with experience in the area.

We carried out information visits in seven member states, and had meetings with representatives of the ministries of defence, transport/infrastructure and finance, and customs administrations. At the time of our audit, two member states did not yet have dual-use infrastructure projects financed by the EU. One of the most interesting experiences for me personally was to be close to the Suwałki Gap around the borders between Poland and Lithuania, where on a clear day Russia and its Kaliningrad exclave are visible on one side and Belarus on the other.

We also visited the coordinator of a Secure Digital Military Mobility System project financed by the European Defence Fund. The project's aim is to facilitate direct and secure exchanges of information between governments requesting and approving military movements, thus addressing some of the current procedural challenges. We carried out a documentary review of 24 dual-use infrastructure projects funded by the EU through the first two military mobility calls launched in 2021 and 2022. Lastly, a panel of experts convened to discuss draft conclusions and recommendations.

## EU military mobility – full speed not yet reached

The main findings of our audit of EU military mobility were that:

- the governance of EU military mobility is complex and fragmented, involving many actors with partially overlapping responsibilities;
- the EU funding made available for dual-use infrastructure was welcome, and the fact it was frontloaded in three calls at the beginning of the MFF rather than the money being split over seven years was positively received overall. However, this affected the stability and predictability of funding;
- there were weaknesses in project selection and the design of Action Plan 2.0: dual-use projects were selected in a piecemeal way, with sufficient account not being taken of the military assessment and the geostrategic dimension; a gap-analysis to determine priority infrastructure gaps and funding needs was launched after all the available funds had been allocated to military mobility projects; and the design

of Action Plan 2.0 also resulted in monitoring and reporting limitations;

- overall, Action Plan 2.0 was not built on sufficiently solid foundations due to a number of design weaknesses, such as the lack of an in-depth *ex ante* analysis and a needs assessment; implementation of the actions was ongoing, and progress has been variable.

We made six recommendations with eight sub-recommendations for the European Commission and the EEAS with a view to resolving these issues. Six were accepted and two partially accepted, as the Commission was cautious about committing for the post-2027 period and its future legislative proposals, instruments and facilities.

The ECA's press conference received broad coverage, including a three-minute report on the France 2 evening news on 11 March 2025 with an audience of 4.3 million people.

## What's next?

Further developments took place just before and after our special report was published in February 2025. In its conclusions of 27 May 2024 on EU security and defence, the Council included a new 'military mobility pledge for 2024'. This contains a number of objectives that are more demanding than those of Action Plan 2.0., e.g. for border-crossing procedure deadlines. 'Readiness 2030', a strategic European defence initiative that was unveiled by European Commission President Von der Leyen in March 2025 to boost the EU's military capabilities and defence spending, is another recent major development. The plan provides for a new €150 billion loan instrument called Security Action for Europe (SAFE) for the joint procurement of defence equipment and the raising of private capital to strengthen the European defence industry by 2030.

On 16 July 2025, the Commission made its first proposals for the multiannual financial framework for 2028 to

2034. Defence will play a much more prominent role. It is proposed that the defence and space window of the European Competitiveness Fund will allocate €125.2 billion to support investment in defence, security and space, i.e. five times more funding at EU level when compared with the previous MFF. The proposals specifically include €17.6 billion at current prices for military mobility as part of the Connecting Europe Facility. This would be more than 10 times the amount for the current MFF, but the negotiation process for the next EU budget is only just starting. However, it is clear that EU defence spending will almost certainly be much higher than in the previous MFF. So, in all likelihood, will be the ECA's audit efforts in this policy area, given that in its 2025-2030 strategy the ECA has also identified security and defence as an important strategic area on which to target its audits.



# Auditors on unfamiliar terrain: how the ECA's auditors are probing the EU's defence capabilities

Interview with ECA director Bertrand Albugues

By Gaston Moonen

**Since 2022, when Russia's war of aggression against Ukraine intensified, the EU has been doing more – and spending more – in connection with defence. This increased activity has expanded the range of audit areas that the European Court of Auditors has to cover. To what extent is defence a new topic for the ECA's auditors? How does it differ from other policy areas the ECA evaluates, and what new skills does it demand? Is there a different approach to auditing and reporting on EU defence issues? In this interview, Bertrand Albugues, the ECA director responsible for auditing external action, security and justice, explains the challenges that arise when auditing EU defence action, an area which is likely to remain prominent in the next Multiannual Financial Framework (MFF).**

## An increasingly important part of the ECA's audit work

*Your directorate covers a wide range of policy areas. What changes have you seen in the last few years when it comes to audit topics and shifts in focus?*

**Bertrand Albugues:** We do indeed cover a wide range of policy areas: our focus includes development and international cooperation, civil protection, asylum and migration, justice and citizenship, and of course defence. Over the last few years, there has been growing interest in topics such as defence, migration and enlargement. Russia's war of aggression against Ukraine has increased our focus on defence issues and on Ukraine. Our level of knowledge on these issues has grown, as has the number of audits related to this area being proposed for the ECA's annual work programme.

Every year, we continue to carry out performance audits in the area of external action. We devote significant resources to auditing development cooperation

and humanitarian aid, because of the political significance of these areas and the amount of EU financial support allocated to them.

*Your directorate is called 'External action, security and justice'. What falls under 'security', and will your directorate's name eventually change to include 'defence'?*

**Bertrand Albugues:** The 'security' component includes funding under three areas that make up part of MFF heading 5, 'Security and defence'. First, the Internal Security Fund (ISF) for the 2021-2027 MFF, and the completion of projects and schemes funded by the Internal Security Fund – Police instrument for 2014-2020. The component also includes funding for nuclear safety, which supports the decommissioning of Soviet-era nuclear facilities in Bulgaria, Lithuania and Slovakia, as well as nuclear-related activities undertaken by the Joint Research Centre. Finally, security also covers funding for EU decentralised agencies active in the area such as the European Union Drugs Agency and the European Union Agency for Law Enforcement Cooperation (Europol). Payments for 2024 for these three areas amounted to around 0.8 billion euro, which is 38% of spending under heading 5. The growing importance of defence in the EU budget and in the ECA audit domain may, of course, lead the ECA to include it in the description of our directorate – wait and see!

*According to the European Commission, its proposals for the next MFF contain a fivefold increase for defence expenditure. Does that mean that your directorate will receive more resources to audit EU defence in the upcoming MFF?*

*The signal given by the amount in the budget allocated to defence is strong...*

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**Bertrand Albugues:** The MFF proposal is indeed very ambitious in the area of defence. This reflects the priority now being assigned to this policy area, and the increased recognition of the need for the EU to increase its institutional and financial capacity in this area and become a bigger player. The signal given by the amount in the budget allocated to defence is strong, but the negotiations for the next MFF are only starting. The final MFF amount has still not yet been determined. It is also important to point out that, once the MFF is agreed, the appropriations for the MFF period will be turned into priorities, programmes and projects. It is the implementation of projects that will result in spending. And it is only when these projects are mature enough to be audited that the ECA will be able to examine the results they achieve.

We are looking a few years ahead here, but of course it is necessary to prepare now, and this applies to the whole MFF. Under the new MFF, areas other than defence may ultimately be allocated much higher amounts than under the current one. It will be for the ECA to make a strategic analysis of its audit priorities and its resources, allocating those resources where they are most needed.

*How many performance audits do you do per year, and how many are related to defence? If you expect this to increase in the next MFF period, will it be to the cost of other audits, and which ones?*

*The production of special reports on defence reflects the level of funding available for defence and the maturity of projects.*

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**Bertrand Albugues:** On average, our audit chamber publishes five to six performance audit reports – what we call special reports – per year. Our objective is to increase this number. The production of special reports on defence reflects the level of funding available for defence and the maturity of projects. Let me give you some examples of what we have published in this policy area over the last few years.

- Our first product was [review 09/2019](#) on defence, published in 2019. It focused on the EU's legal, institutional and financial framework in the area of defence, and on member states' defence capabilities and industries. The review took stock of EU defence cooperation at the time, highlighting some of the main risks associated with defence-related initiatives that had been developed in recent years.

- We then published [special report 10/2023](#) on the Preparatory Action on Defence Research (PADR). The PADR was a precursor to the European Defence Fund. This was the ECA's first audit in the area of defence. In it, we assessed whether the PADR had properly prepared the EU to significantly increase its defence spending through the European Defence Fund.
- In February 2025, we published [special report 04/2025](#) on military mobility. This audit examined progress made in EU policy on military mobility, focusing on the EU's second Action Plan from November 2022. The plan was developed under time pressure, against the backdrop of Russia's war of aggression against Ukraine.

Our chamber also contributes to the ECA's Statement of Assurance. We provide input for two components: the chapter on MFF heading 4, 'Migration and border management' and heading 5, 'Security and defence', and the chapter on MFF heading 6, 'Europe and the world'. We also produce the ECA's annual report on the implementation of the European Development Fund.

The ECA also delivers opinions on proposals for new legislation, as we are doing now for the new MFF proposals. In 2024, our chamber delivered [opinion 02/2024](#) concerning the proposal for a regulation establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products.

*When assessing defence expenditure, what is different from other policy areas? Do ECA auditors need special training before embarking on audits in this area, or are the skills and experience used for auditing other policy areas sufficient? How does the ECA deal with the issue of confidentiality, which is crucial in this policy area, and does the ECA produce confidential reports?*

Access to data and documents (...) sometimes requiring our auditors to obtain specific security clearances.

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**Bertrand Albugues:** From the perspective of audit methodology and technique, defence expenditure is like any other expenditure area. This means that auditors are going to use tools such as surveys and questionnaires, collect documentation, perform interviews and go on missions. However, defence expenditure often involves dealing with classified information in accordance with EU and national rules. Access to data and documents can be more cumbersome than in other expenditure areas, sometimes requiring our auditors to obtain specific security clearances. Nevertheless, we also use a great deal of publicly available information: reports by various actors, including other ECA auditors, national audit institutions, EU institutions, think tanks and academia.

Moreover, as part of our audit procedures, our observations and our recommendations are 'cleared' with our auditees so that the inclusion of any sensitive or confidential information that has escaped our internal review procedures can be flagged. If necessary, our legal service is here to provide advice. And of course, we only publish information in our reports that we can share with our stakeholders and our readers – EU citizens.

...we only publish information in our reports that we can share with our stakeholders and our readers – EU citizens.

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As auditors, we always adapt to the topics we are auditing. For some years now, the ECA has been in the process of building audit capacity in the area of defence. This involves extensive contacts with our auditee, the Commission, and with the Parliament and the Council. We also organise training sessions and conferences such as the European Court of Auditors Conference on Defence, which took place in June 2025. We are developing our internal knowledge base with an active 'knowledge node' on defence matters. And we actively share knowledge and experience with our peers: national audit institutions and the audit board of NATO. Finally, we recruit experts in the field, both through our usual recruitment procedures and by hosting staff members seconded by national audit institutions and national governments. This combination of internal and external expertise enables the ECA to tackle new and develop audit domains.

## Assessing performance and progress in defence actions

*One of the concerns of the European Parliament with new EU initiatives is whether member states have the capacity to bring projects to the table that are eligible and actually make use of the EU funding that is available. Is this also the case for EU funds available for defence? Are there long lead times for the approval of projects in this area?*

**Bertrand Albugues:** Absorption of funds is a concern in several areas of EU funding, especially cohesion policy – the ECA makes this point year after year in its annual report. In the defence industry, projects often have a multinational dimension: they involve partners from across several member states. These projects often take a few years to become operational because of the nature of the defence market – fragmentation, duplications, barriers to entry, and so on.

Absorption is only one of several issues that can affect projects. As an illustration, our [special report 04/2025](#) on military mobility made a number of recommendations to the Commission and the European External Action Service, covering the whole 'ecosystem' of military mobility [see for details page 47]. Two of our recommendations specifically targeted the next MFF period: they point to the need to improve the predictability of funding for military mobility under the post-2027 MFF and to improve the selection process for dual-use infrastructure projects.

*How do you assess performance in defence actions? Is this mostly related to comparing output with what was planned? Can effectiveness be measured at all or is the proof of the pudding only in the eating; in other words, during an armed conflict, which is not an attractive prospect?*

**Bertrand Albugues:** The Treaty on European Union restricts the use of the EU budget for defence. But there have been developments in recent years. Long-term planning for EU defence spending remains a complex issue, as we point out in our [special report 10/2023](#) on the Preparatory Action on Defence Research (PADR). Assessing performance in defence actions mostly means examining the implementation of industrial defence programmes aimed at developing collaborative research and fostering new technologies. The three main focuses of performance audit are economy, efficiency and effectiveness; these concepts apply equally to audits in the area of defence.

...economy, efficiency and effectiveness; these concepts apply equally to audits in the area of defence.

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Our audit that led to special report 10/2023 on the PADR drew interesting observations on the processes used in managing defence projects. For instance, we found that the PADR calls had enabled the Commission to test different types of processes for managing defence research projects, and that the evaluation and award process was comprehensive but highlighted difficulties in recruiting defence experts for assessing proposals. We also found that for almost half of the projects we analysed, the time taken between launching calls and signing grant agreements had exceeded two years, which is significant in a fast-moving area such as defence. We found that project monitoring by the Commission and the EDA was effective, but that security requirements had complicated project implementation. Responses to some PADR competitive calls were limited and concentrated in the few member states that have the largest defence industrial bases. However – and this was a major observation – we found that PADR projects had yielded limited results by the time of the audit. This was caused by delays in implementation, by spending which still included, at the end of 2021, a significant proportion of pre-financing: in other words, advance payments not dependent on progress. Finally, only a limited number of PADR projects were completed by the time of our audit.

...PADR projects had yielded limited results by the time of the audit.

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*There have been growing calls for militaries and military industries in member states to work more closely together in a fragmented industry. However, the idea of closer cooperation may cause unease: the fear that more openness may bring with it an increased threat to national interests and security. Do you seen evidence of a decrease in openness and willingness to share defence information?*

**Bertrand Albugues:** The ECA's auditee is the Commission and, from this perspective, our institutional and operational relationships and our cooperation are no different for audits in the area of defence than any other, except for access to some kinds of information, as I mentioned before. Besides, the ECA's mandate and its audit rights are clearly set out in Article 287 of the Treaty. The good quality of our cooperation extends of course beyond the European Commission. For example, for our audit on military mobility, our auditors collected audit evidence from numerous stakeholders other than the Commission and the European External Action Service.

*...issues with the defence industry (...) fragmentation, duplications, dependency, undercapitalisation, inflated costs...*

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The issues with the defence industry in member states are well documented: fragmentation, duplications, dependency, undercapitalisation, inflated costs, and so on. It is clear that more cooperation is needed to overcome these issues, and this is precisely what EU-supported programmes are aimed at doing: promoting greater cooperation among member states, developing their individual and collective capabilities in order to strengthen the EU's technological and industrial capacity in the area of defence Technological and Industrial Base, thus improving the tools at Europe's disposal to address global security challenges.

## Probing into the next MFF with lessons learned

*What are main issues you have identified that need to be improved in relation to EU defence actions? What do you consider to be the main lessons that need to be taken on board in the proposals for the next MFF?*

**Bertrand Albugues:** Our recent audit work, in particular special reports 10/23 and 04/25 and opinion 02/24, focuses on different areas of the defence audit domain, covering different times. This is important to mention: as the landscape has changed significantly in recent years, especially because of the return of high-intensity war to European soil.

In our special report 10/2023, we assessed whether the PADR had properly prepared the EU to significantly increase its defence spending through the European Defence Fund (EDF). In a way, it showed the direction that the next MFF proposes to take. We concluded that, while some lessons had been learned, the value of the PADR as a testbed for increasing EU defence spending was reduced by time constraints and the scarcity of available results. We made several recommendations aimed at helping the EDF to reach its objectives. In particular, we recommended that a long-term strategy be put in place to increase the use of technology in the EU defence sector.

In our special report 04/2025 on military mobility, we focused on the EU's second Action Plan (Action Plan 2.0), which was developed in November 2022 under time pressure, amid Russia's war of aggression against Ukraine. Overall, we concluded that the Action Plan was not built on sufficiently solid foundations, which was also corroborated by our compliance work in this area. Progress towards the overall objective - enabling the rapid and easy movement of military personnel and equipment at short notice and on a large scale – has so far been variable. To increase the EU's impact

on military mobility, we recommend improvements in various areas, including governance, funding predictability, and the selection of dual-use infrastructure projects under the post-2027 multiannual financial framework.

Overall, at this early stage the issues we have found are similar those we have drawn attention to in other policy areas audited in our directorate, although the context is of course different. The nature of the programmes financed by the EU are also different from, say, external action, enlargement, and migration. Recommendations relating to matters such as needs assessments, processes and procedures, and coordination, are common to most audit areas. But we should remember that special reports 10/2023 and 04/2025 resulted from audits in areas where few projects had been completed by the time of the audit. As a result, we were only able to assess results in a limited way. This ties in with the issue of the maturity of projects that we have been able to audit.

*External auditors often do most of their work after programmes and projects have been implemented, so their conclusions and recommendations often come too late to have an impact on whatever it is that they are auditing. Do you think there should be ways to provide audit feedback earlier in the process?*

*It is only when a project is sufficiently mature that auditors can answer the key questions about it...*

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**Bertrand Albugues:** Examining the economy, efficiency and effectiveness of programmes and projects requires us to examine them when they are mature enough. It is only when a project is sufficiently mature that auditors can answer the key questions about it: whether it delivered what it was meant to deliver, and whether it met its objectives. This issue was raised in the special report on the PADR, where we concluded that the value of the PADR as a testbed for increasing EU defence spending had been diminished by time constraints and the limited availability of results. More precisely, at the time the EDF Regulation was published in May 2021 and the first EDF calls for 2021 and 2022 were launched, most PADR projects were still ongoing. Furthermore, the results of completed projects were not available in time to properly prepare the launch of the EDF. And we were unable to examine them during our audit. If we shifted away from providing only ex post remarks and started providing observations during earlier stages of a project's implementation, it could lead our focus away from the key achievements of programmes and projects.

*But auditors often also provide observations ex ante, when legislation is being proposed...*

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But auditors often also provide observations ex ante, when legislation is being proposed, as we are currently doing for the next MFF: we are drawing up opinions at the request of the co-legislators. One recent example in the area of defence is [opinion 02/24](#), which concerned the Commission's proposal establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products. In this context, we highlighted risks associated with the level of funding, and we pointed out the importance of devising a long-term funding strategy as part of the next MFF. We also drew attention to the importance of defining relevant performance indicators accompanied by milestones and targets to reflect the achievements that can realistically be expected by the end of 2027. And we consider that certain accountability arrangements in the proposal should be clarified or strengthened, including the provisions related to the ECA's audit rights. This is relevant in the context of complex governance arrangements in the area of defence.

# Ambitions outstripping reality? The risks posed by higher defence spending targets and constraints to accountability in defence readiness

By Radek Visinger, International Board of Auditors for NATO



©Radek Visinger / Canva - An analogy for NATO membership requirements?

One of the key topics of discussion at the 2025 NATO summit in The Hague was the increase in national defence spending targets from 2% to 5% of GDP by 2035. For NATO members the major concern was – and still is – how to reach this target at a time when limited resources are complicating political decision-making. There was far less discussion about how the increased target's compatibility with the core principles of sound public administration, such as economy, efficiency and effectiveness. In this article, Radek Visinger, a member of the International Board of Auditors for NATO (and its chair until July 2025), examines this issue and highlights a number of incompatibilities from the audit perspective. He also provides insights on the potential for tension within NATO – and elsewhere – between confidentiality and accountability, and the rocky road to implementation of various defence ambitions.

## Input targets and audit boundaries

The modern state is founded on rational rule: in the public sphere, decision-making and resource use must be based on reasonable, verifiable grounds. Scholars have provided clear empirical evidence that financial transparency and accountability are foundational to the political-military success of states, while poor accounting can lead to their downfall<sup>1</sup>. As resources are limited, both national spending and international commitments should be guided by reason and evidence.

At the 2025 Hague Summit, the 32 NATO Allies agreed to raise defence spending to 5% of GDP by 2035 – 3.5% for core defence and up to 1.5% for related areas such as critical infrastructure, resilience and innovation. The commitment applies regardless of whether funds are used for defence within the North Atlantic area, as defined by the NATO Treaty, or for broader global operations by Allies with interests in other parts of the world. Moreover, it is unclear from public documents whether the new targets resulted from a detailed evaluation of needs or from specific capability requirements; consequently, the underlying aims are still uncertain or inadequately articulated<sup>2</sup>.

If the rationale for a substantial rise in defence expenditure was to offset historical underspending, arguably the targets ought to be tailored and linked to the cumulative shortfall generated by NATO's benchmarks. But that approach fails to engage with whether generally applicable thresholds for defence spending can be justified independently of changing fiscal and security contexts.

According to [ISSAI 100](#) and [ISSAI 300](#), the principles of economy, efficiency and effectiveness require that resource use be assessed against outputs, outcomes and alternative options. Input-based spending targets go against this logic because they predetermine resource levels independently of performance considerations.

High-level input targets (for example, a fixed share of GDP) are political choices made at the sovereign level. They lie outside what international auditing standards

take to be the remit of performance audit. Auditors treat such targets as the sovereign body's authoritative intent and do not pass judgment on the political wisdom of those decisions; instead they evaluate how administrations operate within the set framework. This distinction preserves democratic accountability while delimiting the scope of audit.

Although not themselves auditable, predetermined input quotas alter the managerial decision sequence: resources are fixed before objectives, outputs and outcomes are specified. Reversing the process disables the comparative and optimisation logic that is required by the principles of economy and efficiency. Predetermined inputs remove the normal counterfactual – could the same outputs or outcomes have been secured at lower cost or by different means? – and convert spending into a compliance metric rather than a tool to be optimised.

Input targets create adverse incentives: organisations are rewarded for spending predetermined amounts regardless of results. For executives, mandatory input levels weaken the incentive to seek lower-cost delivery models or reallocate resources according to changing needs. Compliance pressures can generate patterns of year-end spending, and favour higher-cost options that meet the quota rather than more efficient, cheaper alternatives. For auditors, the problem is one of interpretation: an audit that shows savings could have been made might be read as hostile to the political target, even though the audit concerns managerial stewardship within the spending mandate. It is therefore incumbent on auditors to:

- frame findings strictly as value-for-money improvements applicable within the fixed envelope; and
- explain clearly the institutional boundary between political prescription and managerial performance.

This dual framing preserves auditors' independence while recognising how they are politically constrained.

<sup>1</sup> Soll, Jacob, *The Reckoning: Financial Accountability and the Rise and Fall of Nations*, New York 2014.

<sup>2</sup> Back in 2007, ministers meeting at the European Defence Agency (EDA) agreed to four collective benchmarks: a) 20% of total defence spending for major equipment procurement (including research and development), which [NATO members made their own in 2014](#); b) 35% of total equipment spending for European collaborative equipment procurement; c) 2% of total defence spending on defence research and technology (R&T); d) 20% of total defence R&T spending for European collaborative defence R&T. These benchmarks were entirely voluntary and lacked a timeline, and the EU members have routinely failed to meet them. See Fiott, Daniel, *The Challenges of Defence Spending in Europe*, in: *Intereconomics*, Vol. 59, No 4, 189–192, 2024.

## Are defence spending commitments verifiable?

What level of assurance do we have regarding the figures reported by NATO Allies? Unfortunately, neither the methodological nor the institutional prerequisites for reliably verifying fulfilment of their commitments are in place.

NATO members' spending declarations rely on a variety of methodological approaches, making verification or comparability assessments highly challenging. Since the definition of NATO defence expenditure differs from national definitions, the figures shown in NATO reports may diverge markedly from those that are reported by

media, published by national authorities or given in national budgets.

There are key differences between [NATO's defence expenditure nomenclature](#) and the [COFOG](#) (classification of functions of government) figures used in EU reporting. One example concerns the national escape clause that allows member states to increase defence spending while remaining committed to fiscal sustainability (see **Box 1**)<sup>3</sup>.

### Box 1 - NATO and EU defence spending definitions

- The NATO definition is broader: unlike COFOG, it includes pensions for retired military and civilian employees of military departments, and may cover operations of other forces (e.g. interior troops, police, coastguards) under certain conditions.
- NATO excludes civil defence, which appears in COFOG.
- Different timeline for recording: NATO records expenditure on a cash basis (at the time of payment), while COFOG uses the accrual basis (when goods are shipped or ownership transfers). For instance, down-payments for military equipment appear immediately in NATO figures but only on delivery in COFOG.

Although NATO has developed and published an official nomenclature for defence expenditure, it relies entirely on data provided by Allies without an independent verification to INTOSAI standards. Neither the [International Board of Auditors for NATO](#) (IBAN – see **Box 2**) nor supreme audit institutions currently have a mandate to provide assurance by verifying the accuracy of reported data and the compliance of calculations with the unified NATO definition.

Taken together, the complexity of defence spending definitions, and the absence of assurance for the figures reported, increases the risk of error and could create opportunities for manipulation. Various forms of creative accounting are possible to boost reported national percentages without any real enhancement in operational capabilities<sup>4</sup>. There is no binding international framework to ensure consistency in the way Allies calculate and report their defence spending, making meaningful comparisons extremely difficult.

### Box 2 - International Board of Auditors for NATO

[IBAN](#) was established in 1953 as NATO's external auditor. It is responsible for financial, performance and NATO Security Investment Programme (NSIP) audits. Each year, the six Board members, appointed by the North Atlantic Council, and their team produce approximately 30 audit reports on NATO and non-NATO bodies, two to four performance audit reports, and 50-100 NSIP-related reports, covering annual spending of €8-10 billion.

The advantages of this in-house arrangement are familiarity with the organisational environment and the security clearance enjoyed by personnel. IBAN is the only part of NATO that permanently 'monitors' the entire organisation. The quality of outputs is guaranteed by applying INTOSAI standards and the [Auditors' Competency Framework](#) based on ISSAI 150. IBAN has a budget of €5.2 million and direct costs of €851 per audit day (2024), which represents excellent value for money.

<sup>3</sup>The [Stockholm International Peace Research Institute's methodology](#) likewise differs from NATO's official reporting.

<sup>4</sup>A capability is defined within NATO as 'the ability to perform action to achieve a desired objective or effect'. The lines of development of a capability cover the aspects of doctrine (including concepts), organisation, training, equipment, leadership, personnel, facilities and interoperability.

## Box 2 - continued

On the downside, IBAN is heard not by the North Atlantic Council but through an intermediary. The publication of its reports is massively delayed and depends on individual governance decisions. As the complexity of NATO's financial reporting increases, IBAN's de facto role is shifting towards consulting. A common practice, strongly supported by the

governance structure, is to audit the corrected financial statements of at least half of the reporting entities. Although this significantly reduces material errors in published statements, it obscures the real situation and stalls the employment of personnel capable of implementing the international public sector accounting standards within NATO.

## Where transparency is restricted, accountability suffers

The defence sector's intrinsic secrecy inevitably limits transparency. This situation needs to be offset by stronger accountability mechanisms. The capability targets set under NATO's defence planning are classified, preventing parliamentary scrutiny and public debate. As IBAN reports containing classified information cannot be published, even national authorities cannot easily see whether spending aligns with real defence needs.

As an intergovernmental organisation, NATO lacks both a parliamentary oversight mechanism and an independent audit committee. [The NATO Parliamentary Assembly](#) has no supervisory or audit function. This governance arrangement may constrain democratic accountability and erode perceptions of institutional transparency.

Procurement brings further vulnerabilities. Security requirements often prevent truly open competition, leading to vendor lock-in (impossibility of switching to another provider) and single-source contracts with no

guarantees of effective price verification. In the United States, for instance, the Department of Defense has long struggled to ensure fair pricing in sole-source contracts (only one provider available), with audits identifying billions in potential overpayments<sup>5</sup>. Similar cases occur in Europe, where optimism bias, underestimation of risk and moral hazard regularly inflate costs<sup>6</sup>.

The classified nature of many defence technologies also prevents proper benchmarking. Since there are few comparable products, there can be no functioning price-discovery mechanism. Despite technical standardisation through NATO's Standardisation Agreements (STANAGs), there is still no common international framework for validating defence costs. The [SIPRI valuation indices](#), which apply a 'trend-indicator value' based on the known unit production costs of a core set of weapons, offer partial guidance but lack binding force.

## Spending more does not mean achieving more

The move from NATO's traditional 2% GDP guideline to the new 5% target – together with initiatives such as [NATO 2030](#), [ReArm Europe](#), and Germany's constitutional reform allowing €500 billion in extra defence spending alongside the Wales Summit objective of devoting at least 20% of defence expenditure to new major equipment – marks a historic surge in financial commitments. The NATO Security Investment Programme is set to expand from €1.3 billion in 2024 to nearly €6 billion by 2030.

However, fiscal and operational risks are mounting. The [European Commission's modelling](#) predicts that a 1.5% GDP rise in defence spending would increase real GDP by only 0.5% by 2028, while adding two percentage points to public-debt ratios. These projections ignore supply-chain constraints, production limits, and uncertain research and development spillovers. In reality, benefits may be

concentrated in a few industrial sectors, with limited macroeconomic impact.

Most of the new spending will be debt-financed. Markets anticipate this, which could push up interest rates and increase debt-servicing costs, particularly in large economies such as France or [Germany](#).

The rapid pace of spending is also putting strain on procurement systems. The need to commit funds quickly can lead to excessive advance payments or premature contracts. With several hundred billion euros expected to be channelled to the defence industry in the coming years, public authorities are likely to face significant pressure to ensure robust risk management and mitigate their vulnerability to potential corruption. Four [corruption investigations](#) linked to the NATO Support

<sup>5</sup> Congressional Research Service, [Department of Defense Contract Pricing](#), published 19 December 2023.

<sup>6</sup> UK Ministry of Defence, [Evidence Summary: The Drivers of Defence Cost Inflation](#), published 23 February 2022.

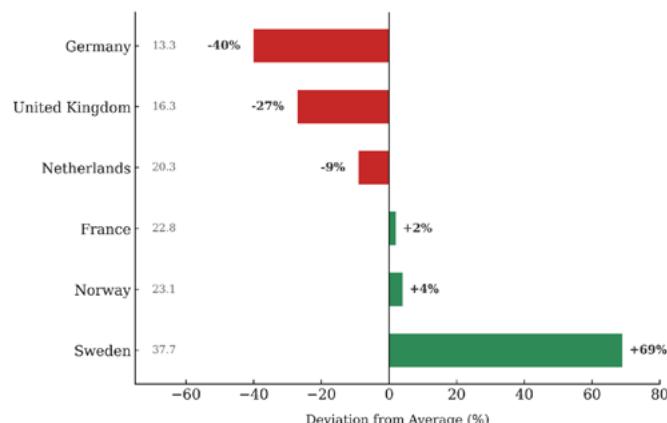
<sup>7</sup> NATO Resource Policy and Planning Board, [The 2025-2029 Common Funding Resource Plan](#), published 18 July 2024

and Procurement Agency – which handled more than €7 billion in orders in 2024 – came to light in the media earlier this year.

Shared ambitions may be hindered by significant differences in defence budget efficiency (the ratio of budget outputs to budget inputs), as illustrated in

**Figure 1.** Any sudden injection of resources may further reduce efficiency among Allies that are currently least efficient; but for the most efficient too it may ultimately prove counterproductive, since their relative contribution to common capability growth would very probably decline because of lower marginal efficiency.

**Figure 1 – Variance in defence budget efficiency among NATO Allies**



Source: Kirsten, Bernd, [Es geht nicht nur um Input und Geschwindigkeit. Ansätze zur Bestimmung der Effizienz von Verteidigungsausgaben im internationalen Vergleich](#), GIDS Statement, 12/2023. German Institute for Defence and Strategic Studies. Note: The small numbers indicate the efficiency quotient according to the author's scoring methodology.

Despite the heightened threat environment since 2014 and 2022, external audit institutions continue to report widespread sluggishness and inappropriate or unclear

resources for putting plans into operational practice (see recent examples in **Box 3**). A particular difficulty is checking capabilities in conditions close to combat.

### Box 3 - Lessons from recent audit findings

The ECA's assessment of EU military mobility ([special report 04/2025](#)) revealed systemic governance failures, including lack of a clear leadership structure, absence of central coordination, inadequate funding predictability, and insufficient consideration of military requirements. The ECA found that, despite significant EU investment, design weaknesses and implementation obstacles mean that member states' armed forces are not yet able to move quickly across the continent.

A special report by the German Federal Audit Office reveals that the Bundeswehr is currently structured and staffed in ways that do not adequately support its core mission of national and NATO defence, despite the availability of increased financial resources. The organisation remains burdened by excessive administrative tasks, a top-heavy personnel structure, and a lack of consistent prioritisation, resulting in the inefficient use of funds and limited operational readiness under the changed security situation.

## From ambition to implementation

The explosion of commitments has not been matched by equivalent capacity or structural reform. The concept of collective defence is economically sound but produces 'internal competition' for scarce personnel and resources. NATO itself possesses minimal military assets and relies on national contributions, which are already overstretched. So jointly funded projects often compete directly with national priorities for the same experts and materials.

Planners operate under far greater time pressure today than they did two decades ago. The accelerating threat cycle means that delays in project rescoping

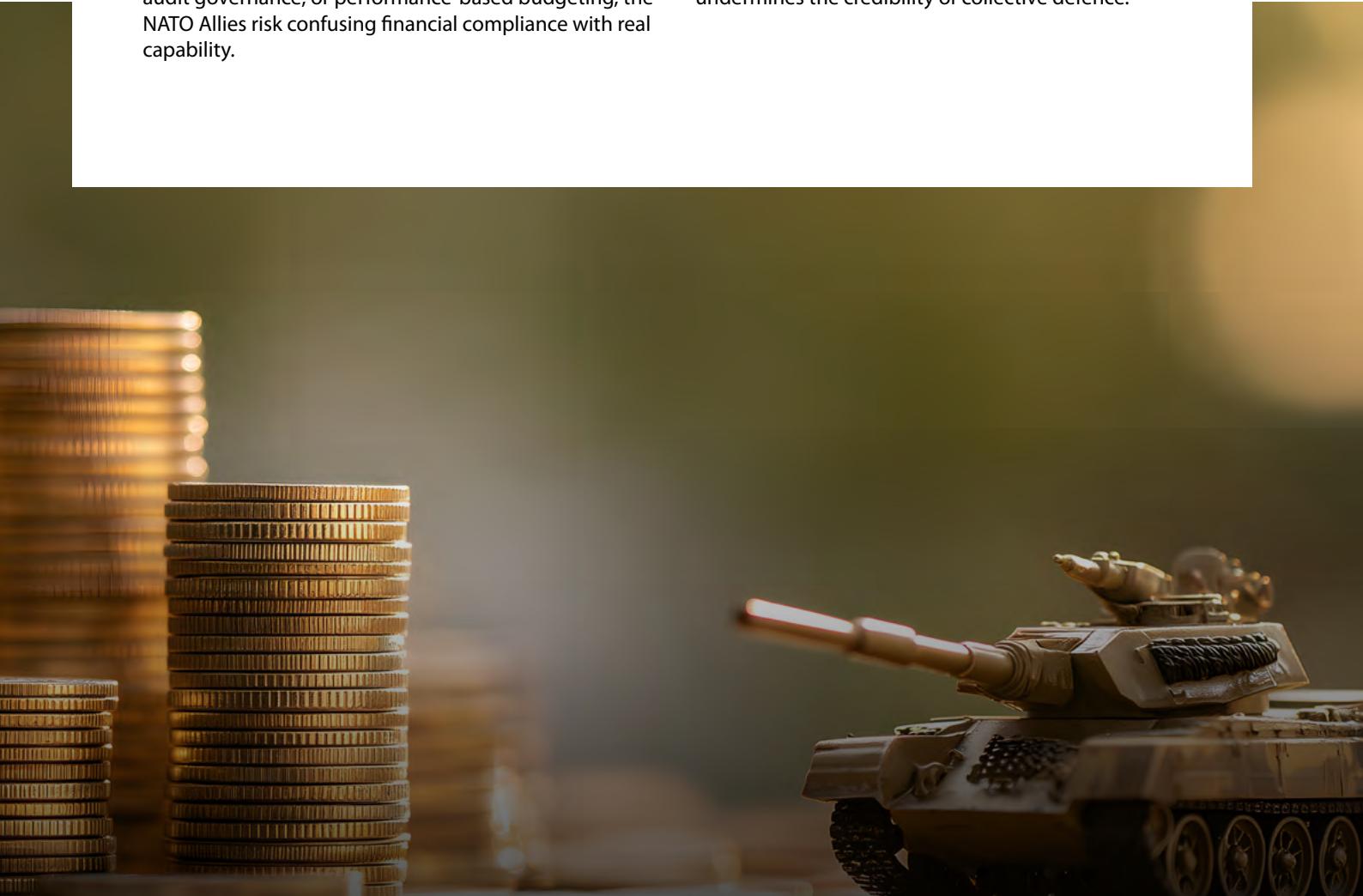
or reprogramming quickly lead to cost overruns and technological obsolescence – particularly in communications and information systems<sup>8</sup>.

Ultimately, deterrence – the core objective of defence spending – depends not on the size of budgets but on the timely conversion of funds into credible capabilities. Without this necessary step, massive new investments may yield little visible change in readiness or public reassurance. Spending more will not make Europe safer unless it is linked to measurable, deployable outcomes.

## Accountability as the anchor of credibility

NATO's new spending paradigm demonstrates unity and determination. However, it also exposes a fundamental governance dilemma: how to uphold accountability when ambition is defined through input targets? Without a verifiable methodology, independent audit authority and audit governance, or performance-based budgeting, the NATO Allies risk confusing financial compliance with real capability.

For auditors, this creates both challenge and duty – to provide assurance in systems where inputs are fixed but outcomes uncertain. Upholding the principles of economy, efficiency and effectiveness remains central to ensuring that ambition strengthens rather than undermines the credibility of collective defence.



<sup>8</sup>In the NATO context, a notable example is the Air Command and Control System (ACCS) project, launched in 1999 and worth over €2 billion, which has experienced delays of more than 15 years and significant cost overruns. Although the contractor now considers the system operational, most member states have reportedly lost interest in its deployment.

# How to reveal the big picture when almost every detail is classified?

By Lene Schmidt, Danish National Audit Office



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**In September 2025, the Danish National Audit Office –Rigsrevisionen – published two reports on the Danish defence forces (known in English as ‘the Danish Defence’). The reports concerned the protection of Danish military areas and the protection of information about the military’s weapons and explosives. But how can there be transparency and accountability about actions and processes which are mostly confidential? Lene Schmidt serves as Assistant Auditor General in the Danish National Audit Office and her department is responsible for auditing the Ministry of Defence. She explain how they examine some of the most vulnerable and – for good reason – most confidential areas of the Danish state. Highlighting three key conclusions of the audit work, she focuses on the lessons the Danish National Audit Office will carry forward into future investigations.**

## Recent audit reports on defence are somewhat critical

In September 2025, the Danish National Audit Office (DNAO) published two audit reports assessing aspects of Danish defence. First, the Ministry of Defence’s protection

of military locations is subject to criticism. In fact, we at the DNAO rarely use higher levels of criticism. See **Box 1** for more information about this audit.

## Box 1 - Main conclusions of the report on the protection of military areas

The Ministry of Defence's protection of military areas warrants criticism. The Ministry has been aware of serious shortcomings in the security of military areas for several years now. These shortcomings include missing alarms, inadequate guarding, and a lack of soundproofing. Consequently, the Ministry has not

provided sufficient protection for these areas against a range of threats, and does not even comply with its own security requirements. This may have significant consequences for the Danish Defence and has, in certain cases, affected security.

Second, the Ministry of Defence faces problems protecting information about weapons and explosives. The Ministry has granted many employees access to information on weapons in its IT systems without

assessing whether those employees have a work-related need. In doing so, the Ministry violates many of its own security regulations. See **Box 2** for more information on this audit.

## Box 2 - Main conclusions of the report on protecting information on weapons

The Ministry of Defence's protection of employees' access to information on weapons is highly unsatisfactory. The Ministry has granted many employees access to information on weapons in its IT systems without assessing whether they actually need the information for work purposes. Additionally, the Ministry does not adequately monitor who accesses the information. Consequently, the Ministry of Defence

fails to comply with several requirements of the international information security standard and several of the Ministry's own security rules. There is therefore an increased risk that employees could intentionally or unintentionally disclose information on the Danish Defence's weapons, which could then be used for the purposes of espionage, sabotage and other criminal activity.

As clear as the conclusions sound in headline form, the path to reaching them has been equally complex. The reason for this is simple: the reports are based on classified information, much of which cannot be published – also due to the current security situation. We

ourselves have the information because we have full access to all information within the DNAO, but we can only publish selected parts of it. We have identified three key lessons from these audits which may be useful for other supreme audit institutions.

## The goal is a version intended for the public

It is important that we publish our results so that Parliament can gain insight into them. Early in the process, we therefore gave the Ministry of Defence a clear picture of what the final report would look like. From there, we were able to engage in open dialogue about which specific parts could not be published and for what reasons. We also discussed what kinds of rephrasing would be required so that the information could be published. Often, only minor changes were needed.

The Ministry of Defence engaged in constructive dialogue with the DNAO, and proposed concrete amendments so that as much information as possible could be made public. Every word was weighed with extreme care – both by us and by the Ministry. By considering the wording continuously and reading it closely, we were able to stay focused on the goal of producing a version accessible to the public, thereby placing the Auditors of Public Accounts (see **Box 3**) in the strongest possible position in their parliamentary oversight role.

### Box 3 - The Auditors of Public Accounts

The **Auditors of Public Accounts** are six people appointed by Parliament. Some are Members of Parliament, but others are not. The Auditors of Public Accounts review the annual report submitted by the Auditor-General of the DNAO, and present their findings to Parliament. In addition, they can ask the DNAO to audit various matters and, if necessary, criticise the relevant authorities based on the audits. Both of these reports were initiated by the DNAO rather than by the Auditors of Public Accounts.

## Extensive needs for unbreachable digital and physical infrastructure

Benjamin Franklin said that three people can keep a secret if two of them are dead. While this is fortunately not true in our case, it is nevertheless an accurate representation of what handling confidential material involves.

Under normal circumstances, conversations about methods or specific information can take place almost anywhere on the DNAO's physical premises. However, this is not the case for sensitive investigations. We therefore set up a dedicated room for those working with classified material. This was mainly to prevent anyone from overhearing something they were not meant to, but it also provided a constant reminder that we were working with material that had to be handled differently from our usual approach.

Classified information also has major implications for how we approached the task digitally. In tangible terms, this meant using computers without network connectivity. This makes hacking impossible, although it also makes any form of digital communication impossible. We avoided using common channels such as email and SMS for even the smallest piece of information or dialogue about the audit.

These may sound like only a few extra precautions in an otherwise standard audit, but subjecting all processes to new procedures is extremely disruptive. Even under normal circumstances, it is a significant task to keep track of which versions have been circulated for comment, or presented to management. However, physical versions played a much larger role in these investigations, and work on revisions and additions took place manually in a secure office using paper copies that were later shredded.

## Confidentiality requirements limit the scope for dissemination

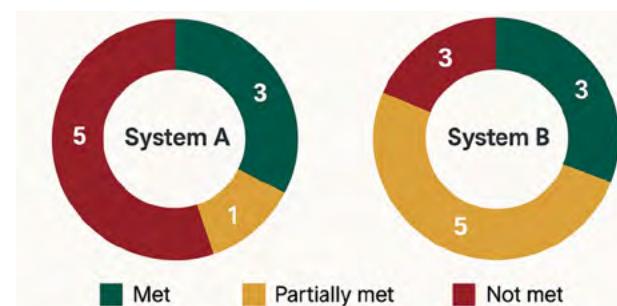
Determining whether what you are writing is confidential is one thing; making what you are actually allowed to share *meaningful* is quite another, and is particularly relevant given the title of this article.

At the DNAO, we work purposefully to communicate our results clearly and precisely. Our main audiences are the Auditors of Public Accounts and Parliament. The clearer our communication is, the clearer our results are – and the greater the impact of our investigations is, too. But it is difficult to describe a specific problem when you cannot mention information such as the time, place, or type of security breach involved.

In our report on weapons protection, for example, there are two key IT systems responsible for protecting information about the location of the Ministry of Defence's weapons. The two systems are referred to as 'system A' and 'system B', and the explanation of the distribution of 19 confidential or overall criteria in the figure reads as follows:

'Protection of information about weapons in system A is not met for 5 of the assessment criteria, is partially met for 1 of the criteria, and is met for 3 of the criteria. For system B, 2 of the criteria are not met, 5 are partially met, and 3 are met.' If it had been any other system, we would have described the specific weaknesses and the physical consequences of those weaknesses (see also **Figure 1**).

**Figure 1 – Fulfilment of the assessment criteria in system A and system B**



© Danish National Audit Office/Source: based on information from the Danish Ministry of Defence

Another tool we often use when explaining complex material is examples, which are extremely effective for illustrating abstract issues. But due to the high level of confidentiality, we were actually able to use very few concrete examples. In a few cases, we were helped by publicly available reports from the Ministry itself, which allowed us to use the Ministry's own examples.

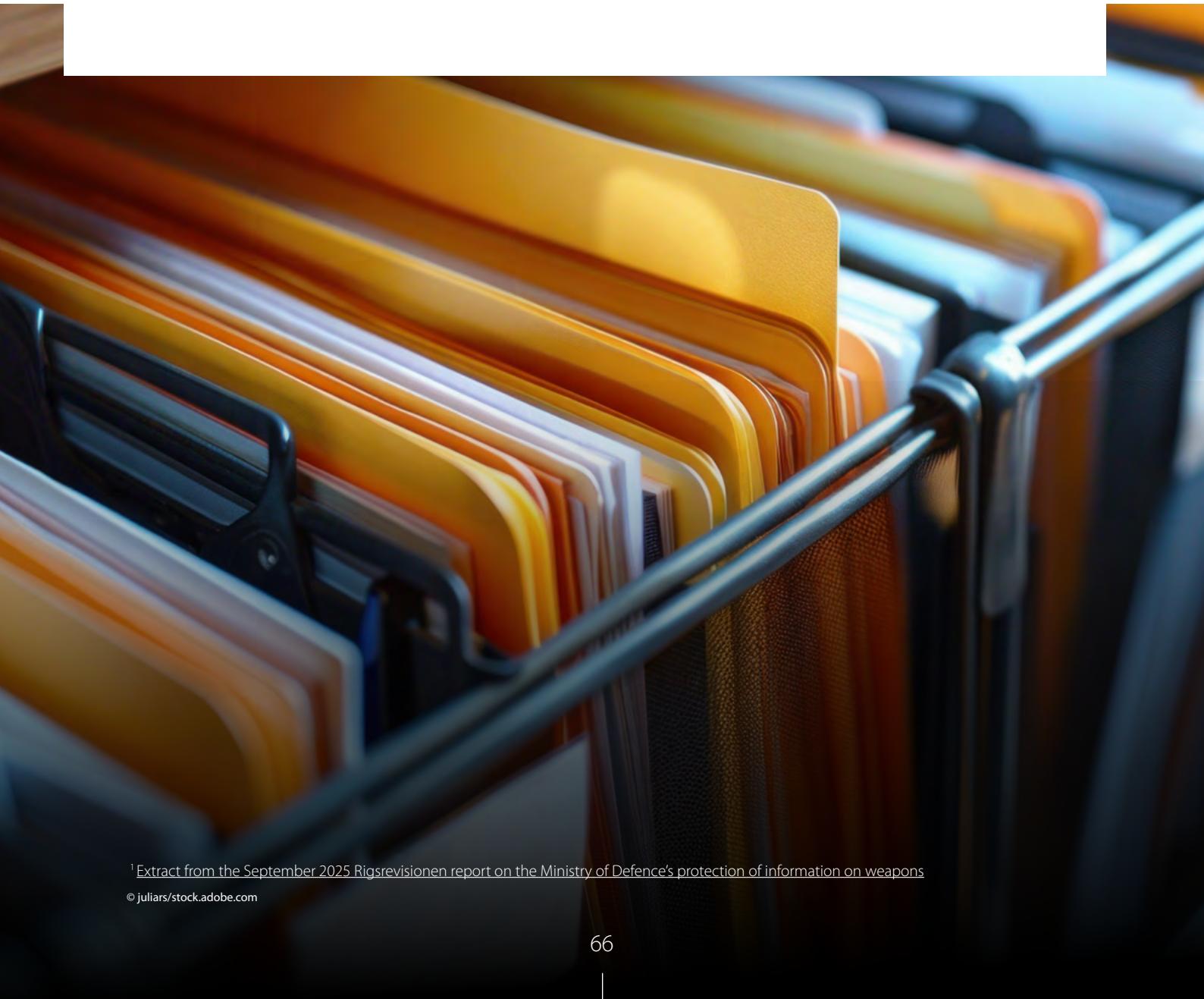
In other cases, we were able to use examples from media coverage that had exposed problems in the Ministry of Defence, such as this one from the introduction to the report on protecting weapons information: 'It is publicly known that the Danish Defence's weapons have previously been stolen and subsequently used in criminal activities'.

The media also provided helpful context in the introduction to the report on military areas. Here, we were able to cite a Danish TV station's coverage of specific shortcomings in military areas: 'According to TV 2, the alarms at the weapon depots did not work, there were holes in fences in several places, and the guards protecting the areas lacked assault alarms. At the same time, suspicious persons and drones had been observed around the areas'. Although the Ministry of Defence did not wish to comment on the specific circumstances reported in TV 2's story, it stated that a lack of building maintenance was a known issue. We were therefore able to include this detail.

## Classified information is the new normal

To conclude: we have handled confidential material many times before, so the idea that not everything can be published is familiar. Usually, however, only small

fragments of an audit receive the 'classified' label. The fact remains, though, that we are entering a new era when it comes to classified material.



<sup>1</sup> Extract from the September 2025 Rigsrevisionen report on the Ministry of Defence's protection of information on weapons

# Money alone is not enough to make Germany's armed forces fit for purpose

By René Kopp, Michael Reinert, Stefan Schlereth and Sebastian Steinmetz, German Federal Audit Office (Bundesrechnungshof)



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Like many countries, Germany wants an army that is operationally ready and a defence administration that is efficient. In 2025, by amending the debt rule laid down in the country's constitution (the Basic Law), Germany's lawmakers extended the funding options for Germany's armed forces. The higher budget requires very responsible spending. In spring 2025, with a new federal government about to take office, the Bundesrechnungshof, Germany's supreme audit institution (SAI), published a special report on the need for action within Germany's armed forces. Michael Reinert and René Kopp are Members of the German Federal Audit Office in charge of topics such as the budget, organisation and staffing of Germany's armed forces. Sebastian Steinmetz and Stefan Schlereth are both senior audit managers working in this area. Below they present key findings and conclusions of this special report, which concludes that money alone is not enough and that Germany's armed forces need further reforms, particularly of their organisational structure and staffing. This special report is expected to serve as an additional incentive for Germany's Parliament and government to make major strides in building the country's army and defence capabilities.

## New reality in security policy – old structural weaknesses

After the end of the Cold War, German lawmakers decided to reduce the country's military expenditure as a share of its economic output, downsize the armed forces' staff, give up military bases and suspend compulsory military service. Since then, Germany's armed forces have been geared towards managing crises rather than defending Germany and its allies.

Russia's war of aggression against Ukraine has led to a fundamental change in Europe's security architecture. The security environment in Germany and Europe has become even more complex and volatile in recent years. Against this backdrop, Germany ushered in a 'new era' in 2022. A visible symbol of this new era was a temporary €100 billion special fund to quickly modernise and better equip Germany's armed forces. In spring 2025, the constitutional debt rule<sup>1</sup> was then amended. The amended debt rule now provides additional leeway for financing Germany's armed forces. However, along with this leeway comes a growing responsibility to effectively and efficiently use funds.

In our [special report](#) on the need for action within Germany's armed forces, the German Federal Audit Office's conclusion is clear: money alone does not provide defence capabilities. The organisational structure and staffing of Germany's armed forces need to evolve for it to once again be able to accomplish its core mission. In order to avoid overstressing Germany's financial capacity, however, its armed forces also need to apply sound judgement when using this new financial leeway.

### Use money responsibly

The reform of Germany's debt rule marked a substantial change in the armed forces' fiscal framework. Defence spending and other security expenditure no longer fully count towards the debt limit. As a result, the federal government may borrow more money in the future.

This decision is based on security policy. Germany intends to strengthen its defence capabilities, meet its commitments to its allies and achieve NATO's goals on a permanent basis. However, its armed forces must not take these new financial opportunities as carte blanche for unlimited spending. Though debt provides financial leeway, it also creates interest burdens which will increase significantly in the years ahead.

The interest paid by the federal government has already been increasing considerably. This burden will increase and limit future budgets in the long term. Therefore, we

BUNDES  
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Special Report

**Need for action within the Bundeswehr**  
Reorientation towards national and alliance defence requires a responsible use of funds and a course correction in terms of organisation and personnel.



Source: German Federal Audit Office

'The security and defence policy approach "Whatever it takes!" must not become an internal administrative "Money doesn't matter!",' Kay Scheller, President of the German Federal Audit Office, emphasised when he presented the special report. The message is clear: the armed forces do not merely need more funding, but also clear priorities, efficient structures and a consistent focus on its core mission of defending Germany and its allies. This is the only way to truly strengthen defence capabilities.

recommend that each item of expenditure in the defence budget needs to be reviewed to make sure it is useful. The financial burden cannot be justified without verifying that the corresponding expenditure is helping to increase the armed forces' capability to defend Germany and its allies.

In the past, we repeatedly found that the country's armed forces had not used money efficiently. Large procurement projects had been behind schedule and over budget for years, equipment projects had been redesigned several times and internal control had often been poor. This pattern must not continue. Furthermore, in 2023 the Federal Ministry of Defence made time the most important factor in procurement. Given the urgency of security policy, the haste is understandable. However, acceleration must not be an end in itself. Acceleration needs to be accompanied by specific goals and active steering<sup>2</sup>.

<sup>1</sup> Germany's balanced budget amendment, also known as the 'debt brake' (Schuldenbremse), is a fiscal rule enacted in 2009. The provision, laid down in Articles 109(3) and 115 of the Basic Law, is designed to limit structural deficits in the federal budget as well as government debt. The rule restricts annual structural deficits to 0.35% of GDP.

<sup>2</sup> If goal achievement cannot be directly seen or measured, indicators need to be determined in addition to the goals. These indicators require a definition of how they are expected to develop until when.

In the face of external threats, there is considerable temptation to neglect effectiveness and efficiency in favour of speed. We therefore stress that speed must not come at the expense of planning. If you launch a tender without specific goals or a sound needs assessment, you risk undesirable developments which are very difficult to rectify later. The current threat level requires an appropriate military strategy.

In order to ensure that the additional funds have an impact, we recommend that the Ministry of Defence and the armed forces:

- provide justification for their financial needs and continue to carry out appropriate efficiency analyses, even when under time pressure;

- create a fair balance between the factors of time, effectiveness and efficiency;
- ensure appropriate management and control instruments to make their use of funds transparent and be able to measure their success; and
- limit price increases by means of smart contract design, international cooperations and bundling of purchase orders.

## Scrutinise and prioritise tasks

As well as financial matters, the substantive focus of the armed forces' work itself is a central issue. In recent decades, Germany's armed forces have increasingly established posts for soldiers performing administrative tasks which are not part of the forces' core mission and do not require any military expertise. Many of these tasks are important. However, they all occupy military staff, resources and time. The Federal Ministry of Defence estimates that tens of thousands of posts are for tasks which could be dispensed with in a situation where Germany's armed forces were called upon to defend Germany or its allies. This means the armed forces are performing tasks which are only marginally linked to their core military mission on a scale that is unacceptable – especially when, at the same time, there are complaints about staff shortages in the forces.

We at the Federal German Audit Office consider this trend to be problematic. For the armed forces to be geared towards the demands of defending Germany and its allies, they need to focus on their core tasks. The armed forces can only take on new tasks directly linked to defence by

simultaneously discontinuing less important tasks. This shift requires a comprehensive critical review of its tasks, to clarify which ones are essential for military readiness and which are not. Such an analysis must not be viewed as a purely technical, administrative exercise but as a strategic decision on the army's military viability. This is the only way to focus human and financial resources on the armed forces' core mission.

Given the new threat level, we recommend that the Federal Ministry of Defence and the armed forces:

- perform a comprehensive and consistent critical review of armed forces and Federal Defence Administration tasks;
- discontinue tasks which are not directly linked to defending Germany and its allies; and
- reassigned any freed-up capacity within the armed forces and the Federal Defence Administration where it is needed most.

## Organisation and staff: move away from a top-heavy approach

A key finding of the report concerns the armed forces' staff. Its current total of around 183 000 active soldiers falls well short of the target of 203 300. For years, the armed forces have not succeeded in filling all established posts. At the same time, the average age in the forces is increasing and their higher ranks are swelling. As decided at the 2025 NATO summit in The Hague, Germany's target is expected to increase to 260 000 active soldiers. This will make the situation even worse.

There is a structural imbalance here. The share of career soldiers has increased sharply while that of temporary volunteers has decreased. This has consequences. Career soldiers serve for longer, which leads to an aging staff. On average, soldiers today are more than five years older than in 2010. As well as their increasing age, the tasks

of professional soldiers are shifting from core military tasks to more administrative tasks in headquarters and public authorities. This means the armed forces are losing flexibility and new recruits, making them top-heavy and unwieldy. While troops complain about staff shortages, the administrative side of the organisation is growing. This needs to be rectified urgently.

In addition, the armed forces' pay structure has grown systematically since 2010. Many posts were upgraded to create career opportunities and financial incentives after compulsory military service was suspended, in particular for career soldiers. This trend, however, resulted in a significantly more top-heavy structure. While the number of established posts at the enlisted and non-commissioned officer levels has fallen by up to 40%,

the number at the officer and field-grade officer levels has risen by 5%. More than 1 400 posts were newly established for the ranks of lieutenant colonels and above – mainly in administrative roles.

About 6 000 soldiers now also work outside the armed forces – for example in the Federal Ministry of Defence or in the Federal Defence Administration – often in fields which do not require any military expertise. Not only does this mean they are unavailable for military tasks, but it also goes against the division of tasks between the armed forces and the Federal Defence Administration required by Germany's Basic Law. What makes soldiers unique is that they are deployed for military defence and are allowed to use armed force.

Our special report's recommendations, aimed at more armed forces, less administration, are clear:

- to reduce the average age and increase operational capability, the armed forces restructure their staff, increase its share of temporary volunteers once again and remove excess posts from administrative tasks. Tasks which do not require any military expertise should be transferred to civilian staff. Such restructuring is a long-term task but there is no alternative;
- the armed forces should conduct a critical review of their pay structure and align it more closely with their core military mission, moving away from top-heavy structures and focusing more on armed personnel.

## Responsibility and transparency - reforms must not wait

Reforms on this scale take time – and support. Reorganising the armed forces will mean changing structures, responsibilities, career paths and, not least, mindsets. Courage, stamina and political leadership are required. Parliament has a crucial role to play in this context. It needs to demand reforms, check priorities and be able to keep track of how money is used. The armed forces, for their part, should provide a clear restructuring plan with a timetable, measures and targets. This is the only way to be able to objectively evaluate the progress made.

We at the German Federal Audit Office support the armed forces' restructuring efforts but expect them to remain firmly committed to this approach. More money must

not mean losing sight of efficiency and responsibility. We see our work as a contribution to bringing about improvement, and ourselves as a partner in the process of strengthening the armed forces and making the public sector as a whole more efficient. Our special report provides an additional incentive for Parliament and the government to make major strides in building Germany's defence capabilities.

This also means speaking uncomfortable truths. If structures do not work, tasks are not clear or money is used inefficiently, these issues have to be addressed in a transparent manner. This is the only way to ensure sustainable solutions.

## Embrace change

The armed forces are in the middle of a historic change. They are expected to become stronger, more modern and more operationally ready, all while facing growing threats, increasing financial burdens and high expectations from society.

As our report shows, we see willingness to change on the part of the armed forces, but the implementation of this change is still in its early stages. Even though there is a lot of financial leeway, this leeway needs to be used in a smart way. The armed forces require an organisation which focuses on its core mission, sets clear priorities and critically reviews its structures. We at the German Federal Audit Office expect the new funds to not merely be spent, but used effectively. This requires an administration which decides quickly but without rushing. It also requires a human resources policy which strengthens the armed forces instead of focusing on administrative tasks.

Germany's army has the potential to become a modern, efficient and operationally ready force. To do so, it needs leaders who address the reforms needed and consistently

implement them, and who report frankly on the progress made and problems encountered. The armed forces also need to lay the foundations to be able to respond flexibly to future military developments.

Soon after our report was published, the Federal Minister of Defence decided on changes to the organisational structure of the Ministry of Defence. Furthermore, Parliament intends to decide on a new form of military service. However, the recommended extensive reforms of the armed forces' organisational structure and staffing are still pending.

We at the German Federal Audit Office will continue to monitor these developments closely. The aim of our audit work is not to criticise but to improve. The goal is for Germany's armed forces to use taxpayers' money responsibly, develop structures which are fit for the future and fulfil its mission in a credible manner – for the sake of German and European security.

# Finnish Defence Forces develop capabilities systematically, but capability building is not always sufficiently holistic

By Suvi Kärki and Juha Kettinen, Finnish National Audit Office



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The security environment has changed significantly in recent years, and EU countries are increasing their defence spending. One example of this is Finland, where the defence administration's procurement authorisations and appropriations have increased significantly, and will continue to rise in the coming years. Principal Performance Auditor Suvi Kärki and Senior Auditor Juha Kettinen from the Finnish National Audit Office (NAOF) provide insights into a performance audit published in early November 2025 on the development of capabilities in the Finnish Defence Forces. The audit concluded that special attention should be paid to the Finnish Defence Forces' capacity for developing their materiel during a period of significant increases in defence spending.

## Finnish defence expenditure has doubled since 2020

Finland's security environment is more tense and problematic than before, and the change is expected to be long-lasting. The development has had and will continue to have a major impact on Finland's defence administration. Finland also joined the NATO defence alliance in April 2023.

The change in the security environment has caused the defence administration's appropriations to grow sharply. In 2020, €3.2 billion was allocated to the defence administration. In the current year, 2025, €6.5 billion has been allocated, but due to the amount carried over, €10.5 billion of the appropriation is available for use. The financing of defence procurement relies heavily on the authorisation procedure.

## Finnish Defence Forces Development Programme – the cornerstone of defence systems development

The Finnish Defence Forces Development Programme is a 12-year plan, drawn up every four years, to develop the capabilities of the defence system. The aim of the Programme is to ensure long-term and balanced development of the defence system. The most essential budget line for implementing the Development Programme is 'Defence materiel procurement' (27.10.18), to which over €1.9 billion was allocated in 2023. There is hardly any information available from public sources on the Finnish Defence Forces Development Programme and its implementation, as the subject is largely classified.

Due to the significance of the Programme for central government finances and the lack of publicly available information, the NAOF decided to start a performance audit on the planning and building of capabilities based on the Finnish Defence Forces Development Programme. In this audit, there were three audit questions, which focused on:

- the management of development programmes;
- the achievement of the development programmes' objectives; and
- compliance with and transparency of the budget.

The audit was limited to only two development programmes, and covered the years 2015–2023. Eight projects from the two selected development programmes were selected for closer evaluation.

The audit commenced in December 2024, and the audit report was published on 11 November 2025. The publication comprised the public parts of the audit report, which is to be kept partly secret (Classified level IV, RESTRICTED; section 24, subsection 1, paragraph 10 of the Act on the Openness of Government Activities 621/1999). This article is based on the public parts of the audit report. The full report was provided to the auditees and may be presented to the relevant committees of the Finnish Parliament upon request.

## The Finnish Defence Forces systematically steer and monitor development programmes

The Finnish Defence Forces Development Programme consists of nine development programmes, which are further divided into sub-programmes and projects. The overall structure of the development programmes is clear, and progresses logically. The activities are steered comprehensively by several internal regulations of the Finnish Defence Forces, which are well known to its personnel. The personnel consider the regulations to be mostly clear and readily applicable in practice, and they are also developed actively.

We found that the strategic planning process model of the Finnish Defence Forces is comprehensive. However, because of its scope, it is somewhat inflexible, particularly if there are rapid changes in prospective adversaries' objectives and their capabilities' threat potential. The Finnish Defence Forces manage the process of building capabilities, which follows the strategic planning,

using several different instruments, such as project and life-cycle models, and related monitoring and audit mechanisms. These arrangements support the effective building of capabilities. The Finnish Defence Forces have also, for the most part, monitored the implementation of development programmes comprehensively.

We observed that although the development programmes are of considerable significance to central government finances, they appear only indirectly in the performance agreements between the Ministry of Defence and the Finnish Defence Forces. In practice, this means that the performance agreements contain no explicit indicators for monitoring the execution of development programmes. The current strategic planning processes of the Finnish Defence Forces and the Ministry of Defence are also somewhat separate from each other.

## Capabilities are not always developed holistically

Capability does not consist solely of defence materiel, but also requires facilities, personnel and maintenance. Capabilities and the follow-on effects of their development are organised into eight different components. The follow-on effects are assessed at different phases of planning and implementation, but their practical management has remained inadequate in several of the projects examined in the audit. Our audit revealed that, despite planning, storage facilities may not be available in a timely manner for the capability

that is being built. Similar examples were also found in maintenance and personnel needs. Problems in the management of follow-on effects hinder the comprehensive building of capabilities. At worst, this may lead to a considerable risk to central government finances, where the life cycle of the procured defence materiel becomes shorter than planned, for example due to inadequate storage or maintenance.

Several reasons were identified for why capabilities are not always developed holistically. The funding for capabilities is divided between two budget lines. Materiel for capabilities built within projects is procured using appropriations under 'Defence materiel' (line 27.10.18), whereas the funding needed for managing follow-on effects comes almost exclusively from 'Operating expenditure' (line 27.10.01). Because of this division into two different budget lines, financial planning must be balanced and closely interconnected between the different components.

Expertise and flow of information are also essential for the successful planning and implementation of development programmes. Officers serving in the Finnish Defence Forces typically follow a career path marked by a 2-3 year job rotation. Job rotation causes personnel changes and leads to problems, particularly in the transfer of tacit knowledge.

## Project schedules have often been prolonged

Based on the projects examined in the audit, the internal project guidelines of the Finnish Defence Forces are followed properly. The projects differ considerably in nature and are typically very long. However, projects are not always closed promptly, as official closure can be delayed by the completion of a single detail.

Within the audit scope and time frame, it was not possible to comprehensively verify that the projects meet their objectives and remain within budget. However, the

Finnish Defence Forces have, through life cycle audits, verified the projects' maturity to transition from one life-cycle phase to another. According to the audit findings, the projects have achieved their interim targets, and capabilities have been built in line with objectives. However, a number of the projects examined have progressed more slowly than planned, although the reasons for this have largely been beyond the projects' control.

## Problems with the commissioning procedure

Building on our audit, the Finnish Defence Forces should ensure that procurements of materiel are carried out smoothly. The Finnish Defence Forces Logistics Command, which operates as a separate administrative unit, plays a key role in implementing development programmes. Projects within the three defence branches (army, navy, and air force) issue commissions to the Logistics Command, which prepares the procurements for building materiel capabilities with both technical and commercial considerations, and implements the procurements. However, this commissioning procedure has not functioned optimally. Problems with the procedure included commissions not being received as

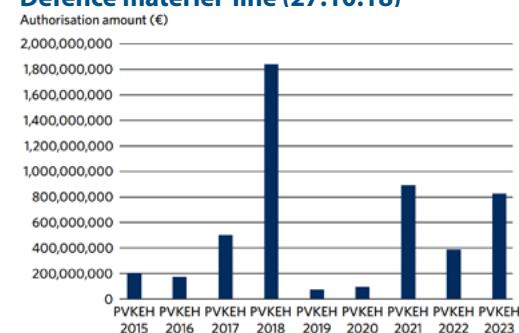
planned; the model for processing commissions at the Logistics Command; and variability in the information content of the actual commissions. In 2024, the Logistics Command launched a development project to improve the commissioning procedure. Based on the audit, the development activities launched by the Logistics Command are going in the right direction.

We also paid attention to the adequacy of the Logistics Command's personnel. Personnel shortages cause delays in the processing of commissions, which may be reflected more broadly in the building of capabilities.

## Budgeting of procurement authorisations is heavily front-loaded

Our audit showed that budgeting should be made more transparent. We found that the budgeting of procurement authorisations is heavily front-loaded. Parliament has granted the Finnish Defence Forces a considerable number of authorisations under which the Defence Forces can conclude contracts for materiel procurement. For example, in 2023, Parliament granted the 'Materiel development of the Finnish Defence Forces 2023' procurement authorisation, amounting to € 827 million.

**Figure 1 – Procurement authorisations under the 'Defence materiel' line (27.10.18)**



© National Audit Office of Finland/Source: Ministry of Finance, data from the Finnish State

Budget

Under the law, regulations and guidelines, procurement authorisation is available only during the financial year in the budget of which it was included. The audit found that, on average, around 40% of the 'Materiel development of the Finnish Defence Forces 2023' procurement authorisations under the 'Defence materiel' line (27.10.18) remained unused in the year they were originally granted.

Unused authorisations from the previous financial year

can be renewed in the following year's budget, and in the case of defence materiel appropriation, this is a very common practice. There should be a justified reason for renewing the authorisation, and it should be presented in the explanation and context of the budget item or class. However, our audit found that no justifications had been presented in the budget proposals for 2015–2023 for renewing the 'Materiel development of the Finnish Defence Forces' authorisation.

## The importance of auditing the defence administration

Although we found that capability development mostly worked well, the NAOF issued seven recommendations resulting from the audit. The recommendations were given to the Finnish Defence Forces and the Ministry of Defence, and one recommendation also concerned the Ministry of Finance. All three mostly agreed with the audit findings. Slight changes were made on the basis of their opinions, but the actual recommendations remained unchanged.

This audit was carried out by an audit team of three auditors. The audit project remained mainly on schedule, and its objectives were achieved. Cooperation with the auditees worked well, and the necessary meetings and materials were organised without delays. The audit also received attention in the media, with explanations given for the audit findings on radio and TV. A follow-up report on the audit is scheduled for 2028.

Auditing the core activities of defence administration includes some specific features compared to audits carried out in other fields. For example, a notable share of

the documents had to be reviewed on the Defence Forces' own premises under the necessary security arrangements. The audit meetings were also held face-to-face for the same reasons. Additionally, some aspects of the reviewed matters were rather complex in nature and unique to the defence sector, which required particularly thorough familiarisation. This underlined the need for close dialogue with the auditees.

As already mentioned, defence spending is increasing in Finland, and NATO membership also brings specific requirements for the defence administration. The NAOF has recognised the importance of auditing the defence administration. A performance audit is currently ongoing as regards NATO-related preparations and decision-making in the Finnish Government. This audit report will be published in early summer 2026. Another performance audit on the Finnish Defence Forces' partnership scheme is also in the planning phase. The NAOF is closely monitoring developments in the defence administration, with several themes identified as potential topics for future performance audits.

# European defence developments call for joint mobilisation of Europe's supreme audit institutions

By Paul Serre, Cour des comptes (France's supreme audit institution)



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**As geopolitical changes force European countries to reassess and bundle their defence capabilities, external auditors are following suit. While defence is particularly a national prerogative, from an accountability perspective it makes sense to see how international cooperation in this area is paying off, in terms of not only compliance but also efficiency and effectiveness. Paul Serre, Section President in the 4th Chamber of the Cour des comptes, France's supreme audit institution, identifies several cooperation streams that are crucial for the defence of the European continent. He calls for European external auditors, not least those of the EU and its member states, to step up sharing, exchange and cooperation in their audit work to enhance accountability for the surge in public spending to maintain Europe's defence capabilities.**

## Europe aligns on defence issues

Throughout Europe's history, war has divided its peoples and countries for longer than it has united them. Even before the 20th century's two disastrous world wars, the military destinies of European states developed in parallel, often mirroring each other, sometimes in conflict. On the

one hand, there were the great military powers of each century; on the other, there were less aggressive states that were more concerned with defending their own territory. European and local ambitions rubbed shoulders with other strategies focused on conquest on other

continents. Some states opted for neutrality. After 1945, the Cold War and the wars of decolonisation waged by some seemed to prolong these internal divisions on the European continent.

However, since the 2010s, a new context has emerged almost unnoticed by many Europeans. Very gradually, military situations and aspirations within Europe have converged. A majority of European countries are now NATO members<sup>1</sup>. At the same time, the EU has gained territory in Central and Eastern Europe<sup>2</sup>. Externally, new positions taken by state actors, such as Russia and China, or non-state actors – such as Islamist or organised crime groups – have confronted Europe with common challenges to its security and sovereignty. Similar threats

and common frameworks for thought and action have led to a historic rapprochement between European governments and peoples on defence and security issues – a rapprochement that Brexit has not really been able to shake.

But what about the SAIs of these countries? Linked to the constitution of their nation and their state, have they sufficiently recognised this international rapprochement? The time has undoubtedly come for the 'Euro-NATO' SAIs<sup>3</sup> to join forces on defence issues. Below I set out two factors favouring such cooperation.

## International military cooperation necessitates closer ties between Euro-NATO SAIs

The first factor stems from the highly international nature of defence, both militarily and economically. Military action by one Euro-NATO country often takes place in cooperation with one or more others. There may be formalised cooperation in units such as Eurocorps, the interlocked German and Dutch armies, NATO's German-Polish Multinational Corps Northeast or the Franco-German brigade. Beyond these organisational structures, EU operations, or those under the umbrella of NATO or the UN, may bring together several European armed forces on a temporary basis. Thirteen countries have also chosen to unify their operational frameworks under the European Intervention Initiative. Numerous equipment projects can also be cited, sometimes within the Organisation for Joint Armament Cooperation (OCCAR), which brings together 11 European countries. As an example of joint training, the Belgian and French armies have set up a common curriculum for soldiers to master their new armoured vehicles.

NATO and, more recently, the EU have also given a powerful boost to a common approach to defence decisions among Europeans. This includes strategic and operational cooperation within the framework of NATO's Military Committee, and, for example, the joint Allied Reaction Force (formerly the NATO Response Force) led by a rotating European country, as well as joint procurement with NATO agencies. The EU and its common defence policy, as well as initiatives led by the European Commission, the European Defence Agency and Permanent Structured Cooperation (which brings together almost all member states), are also unifying Europe militarily. The strategic compass adopted in 2022 shows that perceptions are converging. The same is true for the common funds supporting defence projects.

The Euro-NATO countries are not only engaged in voluntary cooperation with each other. They also use the same suppliers for many items of land, naval and aerospace military equipment. For example, a transport aircraft such as the Airbus A400M is set to be used by six European national air forces. Fighter aircraft models in Europe come from only three or four industrial prime contractors, each of which sells to several countries. The arms industry is certainly dominated by the United States, the leading exporter, but some of the major exporters are also European, and some are very close to their countries' governments. National governments may support their 'own' manufacturers by various means, such as ordering equipment for their countries' armed forces, but also through economic interventions such as equity investments. All of this can alter the economic context of orders with the same manufacturer from other countries.

In summary, the way the strategic and economic landscape has evolved over the last decade has led each Euro-NATO SAI to audit, in the field of defence, national public policies whose context and effectiveness depend, in practice, on other Euro-NATO countries.

The second factor favouring closer cooperation between Euro-NATO countries, and one which poses a common challenge for their SAIs, is that they generally gave low priority to defence spending between the 1990s and 2010s. The increase in defence spending since the mid-2010s has taken place in a context of considerable economic and financial uncertainty, and perhaps at a faster pace than the shift in public opinion in the face of such a pronounced change in priorities. In addition, most Euro-NATO democratic societies have often been accustomed to sophisticated social intervention by public

<sup>1</sup> In 2024, Sweden became the 32nd country to join.

<sup>2</sup> Bulgaria, Romania and Croatia are the last three countries to have joined.

<sup>3</sup> The strategic factors cited for rapprochement concern the member states of the European Union or European Free Trade Area, and where applicable NATO, namely: Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Spain, Finland, France, Estonia, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, North Macedonia, Malta, Norway, the Netherlands, Poland, Portugal, Romania, the United Kingdom, Slovakia, Slovenia, Sweden, Switzerland and the Czech Republic.

authorities. These societies are seeing demographic ageing and global warming give rise to their own political and financial demands. The allocation of taxpayers' money to competing needs is the central focus of the annual budget debates in national parliaments. Public attention has begun to focus, and is likely to focus increasingly, on whether there are legitimate reasons for budgets giving greater priority to defence policies and on the way this shift in priorities will be financed: imposing cuts on other public spending, introducing new taxes, increasing the budgetary deficit and public debt, or even resorting to foreign loans.

Alongside this question of building up defence budgets and its implications for public finances overall, public attention is also likely to focus on whether these budgets have been implemented with discipline and

the extent to which the individual measures funded have been militarily effective. Public attention is also likely to consider the cost-effectiveness of each option chosen, especially given the current strategic debate about the excessive cost of a 'sophisticated' military response to 'low-cost' attacks. Thirdly, public attention is likely to focus on the impact of defence spending on national economies and various industries. Thus, the need for public transparency and impartial scrutiny of these defence policies is likely to increase dramatically. Transparency through publication, as well as an impartial approach, are the foundations of SAIs' day-to-day work. This new public attention is a common challenge for all of them.

## Several pragmatic approaches involving Euro-NATO SAIs demonstrate awareness of the need for unity on military issues

Although relatively recent, the developments mentioned above have already resulted in examples of unified approaches between supreme audit institutions (SAIs). This includes national SAIs, but also the European Court of Auditors (ECA) and external audit bodies attached to international organisations dealing with European military capabilities, such as the International Board of Auditors for NATO (IBAN) and the United Nations Board of Auditors.

For the past 20 years or so, the SAIs of the countries that have chosen to participate in the development or purchase of Lockheed Martin's F-35 fighter jets have been meeting annually (at the Joint Strike Fighter Supreme Audit Institution Conference) to discuss the audit of this expenditure. What convinced these SAIs to pool their efforts was the fact that there was only one project, and one supplier. SAIs from European countries not involved developing or purchasing the jets may also be invited to participate in more general discussions on the audit of defence policies.

To cite one specific example among others, following the Belgian Army's decision to combine the renewal of its armoured vehicles with a similar project by the French Army, the principle of simultaneous audit by the two countries' SAIs was agreed in the early 2020s. Although the French SAI was ultimately unable to conclude this agreement, the report published by the Belgian SAI in 2025 benefited from informal exchanges with the French teams. The Dutch SAI, for a 2025 audit report on government expenditure on a submarine programme involving a French public industrial supplier, engaged in informal exchanges with the French SAI, which conducts regular audits of that supplier.

During Poland's Presidency of the EU Council in the first half of 2025, the Polish SAI invited all the EU SAIs to a

symposium, as is customary. However, for the first time, the theme of this symposium was defence and security in Europe, thus facilitating an exchange of guidelines and best practice on the audit of such policies. In addition, IBAN recently began concluding bilateral cooperation agreements with certain SAIs (e.g. with those of Poland and France in 2025).

In 2019, the ECA published an analysis of defence at EU level. Recent reports (from 2023 on future research, from 2025 on military mobility) attest to the significant increase in EU investment in this area.

A final example is the Danish SAI - Denmark took over the Presidency of the EU Council in the second half of 2025 - which called on all SAIs to engage in more informal exchanges on their recent defence audits and audit plans. This exchange of information has already revealed many common audit topics: audits on military equipment procurement have recently been or are due to be carried out by the SAIs of various Euro-NATO countries including Belgium, Bulgaria, Czechia, Denmark, Spain, Finland, France, Lithuania and Slovakia.

Such cooperation on defence has not manifested itself in the regional or global cooperation organisations, the European Organisation of Supreme Audit Institutions (EUROSAl) and the International Organisation of Supreme Audit Institutions (INTOSAl). This is not surprising, however: while these organisations have for decades provided the natural and effective forum for SAIs to share ideas and technical methods, their broad scope is not aligned with the above factors favouring cooperation between Euro - NATO SAIs. The EU Contact Committee, which regularly brings together the national EU SAIs and the ECA, would be a more appropriate forum. However, it has the disadvantage of not including important players outside the EU, such as the SAI of the United Kingdom.

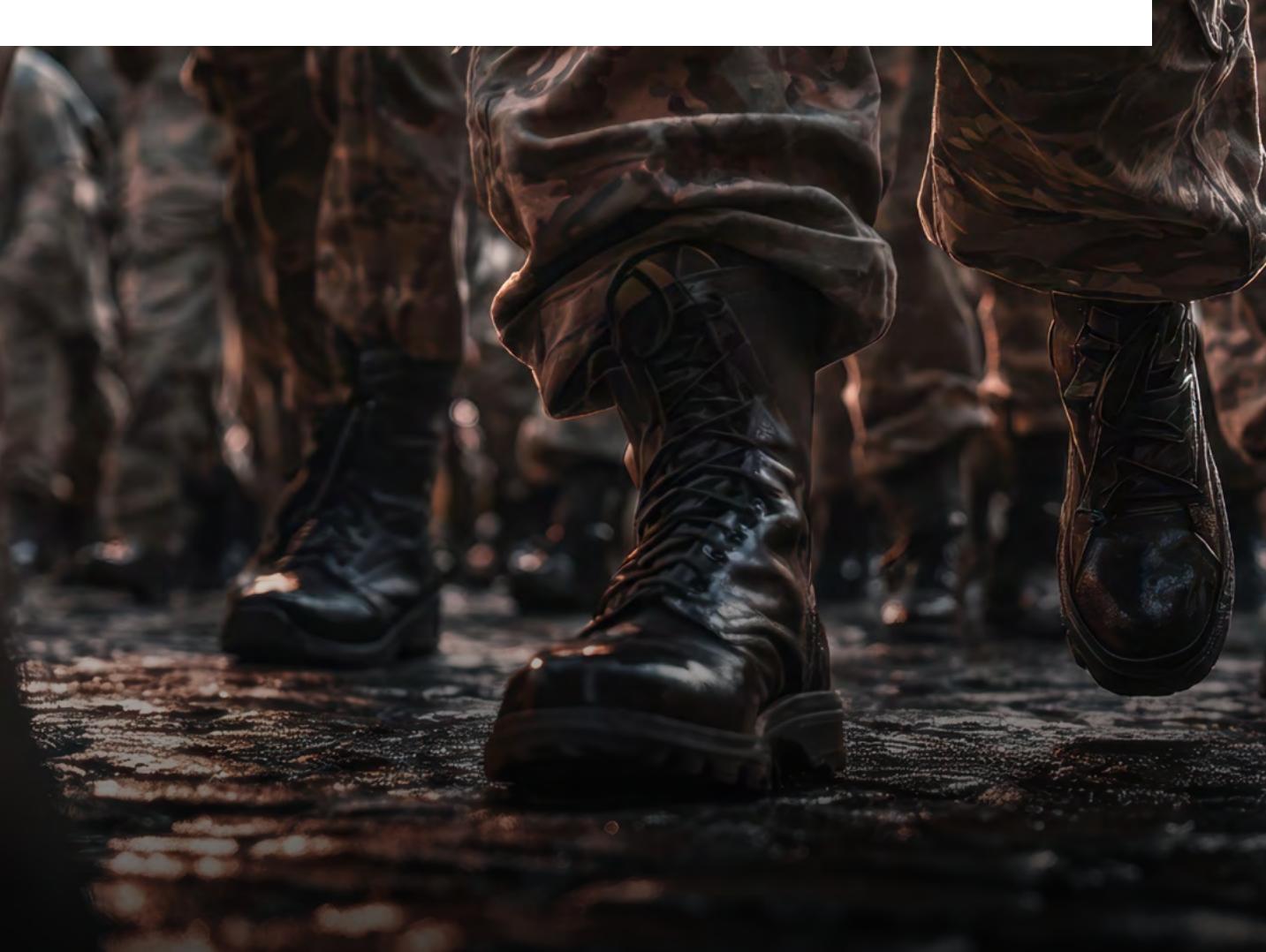
Of course, in any existing and future cooperation between SAIs certain information must be kept confidential. It is safe to assume that, within NATO territory, some defence information is public, some is secret but shared among all allied states, some is secret and restricted to certain allies only, and some is secret and restricted to the country in question. SAIs are generally required by their specific statutes to ensure the confidentiality of their procedures:

for the French SAI, this means the confidentiality of its investigations and deliberations. Cooperation between SAIs in the field of defence therefore cannot be as extensive as in other sectors. This specific limitation does not prevent exchanges on the direction of new work or audit methods; nor does it prevent coordinated or joint audits.

## For the sake of accountability on defence, European SAIs unite!

It is not surprising that there has been recent and growing cooperation between European SAIs on defence issues. The new unification of the continent, as reflected in military policies themselves, and the underlying democratic demand, are the driving force behind this simultaneous and coordinated mobilisation. It has a bright future, and we at the French SAI are convinced

of its relevance! More cooperation on accountability in relation to cross-border issues can only strengthen national and international public scrutiny with respect to the increasing amount of taxpayers' money being spent on Europe's defence – regardless of whether the findings are published or confidential.





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# 'We all need to realise that we must stand together!'

Interview with Marie-Agnes Strack-Zimmermann, Chair of the European Parliament's Committee on Security and Defence

By Gaston Moonen

**Over the past few years, defence has become an increasingly important aspect of the EU's common foreign and security policy. This is now also reflected at the European Parliament: until 2024, defence issues were discussed by a subcommittee of the Committee on Foreign Affairs (AFET), but in December 2024, this subcommittee was upgraded to a fully fledged committee, effective from January 2025. The first and current Chair of this new committee, the Committee on Security and Defence (SEDE), is Marie Agnes Strack Zimmermann. She explains that, besides discussing the multiple EU proposals and actions regarding defence, the SEDE Committee has the important role of conveying the new reality of EU defence.**

## Creating one committee to discuss all defence related issues

*What are your committee's main responsibilities and how do they differ from those of the Committee on Foreign Affairs (AFET) now that it has become a fully fledged committee, rather than an AFET subcommittee?*

**Marie-Agnes Strack-Zimmermann:** There is a big difference because a subcommittee has no possibility to directly influence the budget or to be part of the legislative process directly. As a fully fledged committee, we can and we do. When I was the Chair of the Defence Committee of the Bundestag [the lower house of the German Parliament], I always heard from my colleagues from the European Parliament that they were thinking about changing their subcommittee on defence into a fully fledged committee. After the last elections, in 2024, we prepared everything to do so. We are now also responsible for questions related to industry when it comes to military issues. Before 2025 this was the responsibility of the Industry, Research and Energy Committee (ITRE). It was really important that we make this change because now we are responsible for everything that has to do with defence and security matters. On various matters we are working together with other committees, first of all with the Budget Committee, but also, for example regarding military mobility, with the Transport and Tourism Committee (TRAN).

...now we [the SEDE Committee] are responsible for everything that has to do with defence and security matters.

”

*NATO is our backbone.* **”**

The EU is not a NATO in a different form. NATO is our backbone. Our job is to bring countries, both EU and non EU, to work together, stimulating for example joint procurement. In this context we worked on EDIP – the European Defence Industry Programme – and also SAFE – Security Action for Europe – so that even countries that are not EU members – for example Ukraine, the UK, or Norway, but also Canada – can be part of it. We very much cooperate with Commissioner Andrius Kubilius, but also with Kaja Kallas, the High Representative of the EU for Foreign Affairs and Security Policy, and with Henna Virkkunen, Executive Vice President of the European Commission, as she is responsible for cybersecurity. With EDIP we were able to change something through a successful triologue [informal negotiation between the European Parliament, the Council of the European Union, and the European Commission], which is not always easy because every country is still responsible for their security and defence matters. Now, step by step, we are trying to bring everything together.

*What would you identify as the main issue you are working on now, as SEDE Committee?*

*...we need to look beyond countries and beyond parties...* **”**

**Marie-Agnes Strack-Zimmermann:** A major issue is joint procurement. Commissioner Kubilius is responsible for matters related to the defence industry and also related to space. It is important for all colleagues at the European Parliament, including in the SEDE Committee, to realise that the security situation and challenges in Europe are so big that we need to look beyond countries and beyond parties and work together to strengthen Europe and prevent future security risks.

*On 3 and 4 December 2025, your Committee hosted the first - ever inter - parliamentary committee meeting with the defence committees of national parliaments from predominantly EU member states. What were in your view the key outcomes of this meeting?*

**Marie-Agnes Strack-Zimmermann:** We organised this meeting for the first time and we will organise it again next October. We had guests from 17 countries. Norway was also there. Unfortunately, some countries, such as Ukraine, had to cancel. The outcome was very good, with various speakers from NATO, and speakers from the EU, such as Commissioner Kubilius, or Roberta Metsola as President of the European Parliament. The main objective was to talk with each other, to bring all those responsible for defence issues together. These national parliamentary defence committees really influence their governments, and it is important to stop thinking only in national terms, whether it relates to procurement or foreign policy. It is very important to realise how, together, they are responsible and co - responsible for this policy area. This realisation, this empowerment, was an important outcome of this meeting. As former Chair of the Defence Committee in the Bundestag, I know that you can have this influence.

## **EU's defence is now closer to home**

*One of the stated goals of that meeting was the strengthening the EU's democratic oversight of security and defence. However, at the same time, defence issues are characterised by confidentiality and classified material, if not secrecy. When it comes to European citizens, how do you reconcile, on the one hand, transparency and accountability regarding what they get for their tax money, with, on the other hand, the need for confidentiality?*

*What is happening in Ukraine (...) is a factor for the whole of Europe.* **”**

**Marie-Agnes Strack-Zimmermann:** Every politician responsible for security and defence knows that a common EU defence will require money. However, this is not always easy to explain, for example in the case of a neutral or non NATO country like, for example, Ireland, or also where people feel less affected. For example, people in Spain might feel less affected by what is happening in Ukraine. What is happening in Ukraine, a full - scale invasion, is a factor for the whole of Europe. If Ukraine loses this war, we will have a huge problem in the

years to come, whether in the east or in the west of Europe. The reality is that Putin's long range weapons can easily reach Madrid. So more persuasion is therefore needed for those.

We have to give the full picture of the situation, taking the massive influence of social networks into account. With some voices on these networks saying that Putin is not interested in war, and that Europe is at fault and Putin is not the aggressor – this is in fact a hybrid attack to change the mindset of people living in Europe. We need to present the facts and avoid distortion by social media. It is important that this discussion is held in each and every country. We all need to realise that we must stand together! What is encouraging is that if you ask citizens what is important to do in Europe right now, the majority – and in Germany more than 72% – says it is to improve Europe's security and defence situation.

As to the confidentiality dilemma, when I arrived for the first time at the European Parliament and the committees, I was really astonished to see that they talk about everything, and online. You can actually listen to what is going on. So for the Russian government it is not necessary to send any spies because they can just listen online. Now many things are in camera, so more confidential things are discussed behind closed doors. This needs to be done, and is done, without any electronics around, so no phones, no computers – that stays outside. This is sometimes the reality for our 42 SEDE members and our staff. Of course, we need transparency, but only where it is safe to do so. For defence, transparency has its limits. In Germany we are talking openly about every weapon system and where it is. This is in my view crazy. Also in Europe we have started to work more discreetly. Otherwise it will be hard to be successful..

*For defence,  
transparency has its  
limits.*

”

*Proposals for the new multiannual financial framework, the MFF, contain a major increase in EU defence expenditure. What is your view on this increase in defence expenditure? Do you think it will survive the MFF negotiations?*

*What is proposed is not  
a European Defence  
Union...*

”

**Marie-Agnes Strack-Zimmermann:** I am optimistic that, on the question of defence, the MFF will be substantially increased. What is proposed is not a European Defence Union, but we also need more money for EU activities for improving defence. The reality is that 3.5% of GDPs will be for military equipment and 1.5% for infrastructure. And if you are talking about military mobility, we have a lot in which to invest in Europe: streets, trains, transportation.

*We also need to create  
an internal market for  
military equipment...*

”

However, mobility goes further than infrastructure. We also need to change rules, for example rules for crossing a border with ammunition or explosives. This can be really complicated now. We also need to create an internal market for military equipment, to be able to move that around. I am optimistic, but we have to talk to the defence ministers. When they meet in Brussels, I have, as Chair, the pleasure of being part of their meeting. I am always really open about this: member states have to pay for their defence but we as EU want to do more. We have to face the reality of what is going on in Ukraine, and there is no will from Putin to stop the war. So we have to ramp it up... and we can do it.

## Public scrutiny that we owe to EU taxpayers

*You spoke about military mobility. The ECA published a rather critical report on military mobility earlier this year, and also several national audit institutions have identified big gaps between what is supposed to be there and what is actually there, including in a recent report of the Bundesrechnungshof. Where do you see the added value of the SEDE Committee to improve these situations, also regarding national issues?*

**Marie-Agnes Strack-Zimmermann:** We work together with the TRAN Committee to change rules. I can give you one simple example. In the majority of European countries, it is not allowed to have trucks on the roads on Sunday. If there is a special situation, then military transport can also go on Sundays. So you have to change the rule in Europe, in emergency situations. Now we have the problem that even if you change this rule, it could also relate to normal transport. But it is nevertheless very relevant for the military situation, so we want to address this as part of the EU omnibus questions [legislative packages to simplify EU rules] to change the rules in various circumstances. And people in the TRAN Committee, and at the Commission, they are working on this topic, whether it relates to changing the infrastructure or rules, for example also relating to the use of airports at night.

*Many initiatives are going on in the area of defence. Can the SEDE Committee fully exercise its scrutiny role in a domain that generates so many developments?*

**Marie-Agnes Strack-Zimmermann:** We can cope with it, yes. This is one of the reasons why parliamentarians working on defence met with each other on 3 and 4 December 2025. Because the key question is 'do we want more security or not?' Everybody knows that we have to do it together and that we have to change the rules in Europe to do so. I am optimistic enough that if we reduce all these rules related to defence, it could be a good example for other policy areas of what can and needs to be achieved, in line with the Draghi report's assessment. Defence and security is a national matter. We in Brussels, but also politicians in member states' capitals, need to explain to citizens that defence and security are not a matter of national concern anymore. We are not strong enough – no country in Europe can do it alone. But together we are strong. Together we can also be a really strong pillar of NATO. The US is also waiting for this, pleading for more money and saying that NATO's defence structure must be more European.

*...defence and security are not a matter of national concern anymore.*      **”**

*You speak about the need for more joint efforts. What would you like the ECA to do? Where do you think the ECA can bring the most added value to the activities of the SEDE Committee?*

**Marie-Agnes Strack-Zimmermann:** This is a good question. We are responsible to the taxpayers, no doubt about that. If we decide something, then it has to be done correctly, also to avoid later remarks from the ECA. The really good thing would be if we had more information on joint procurement efforts. It is a technical question, but in military issues more joint procurement makes a lot of sense. You know we have 20 different tanks. We have so much different equipment because member states were searching for national solutions. In the long term, doing more together would be good for both the national budgets and the EU budget. We are now in a rather historical moment, because so much is changing.

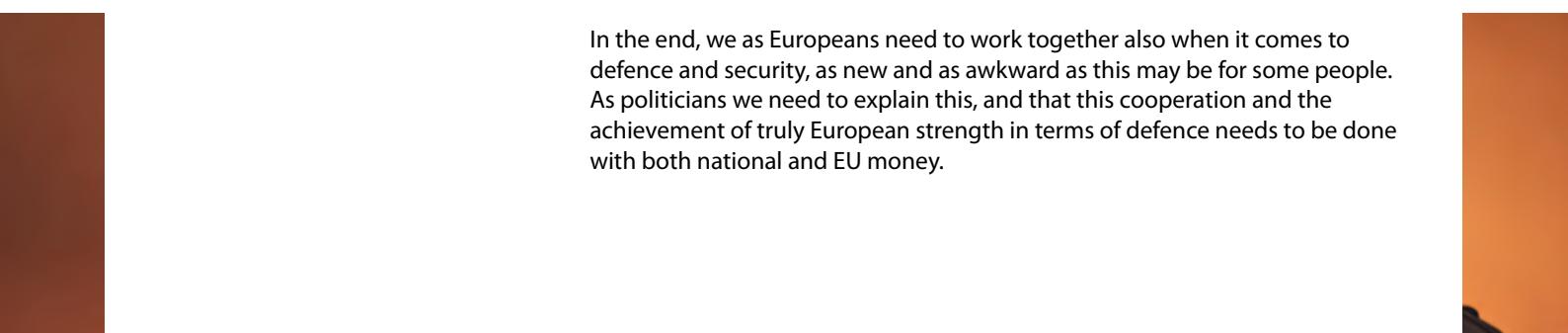
## Advocating for a common mindset regarding EU defence

*What do you see as major challenge for EU defence to come to grips with its security situation?*

**Marie-Agnes Strack-Zimmermann:** What is very important is a change of mindset. It is a totally new situation. We are reacting late – I hope not too late. The mindset, also building on the Draghi report, is to do more together. In our committee, 40 of the 42 members share the opinion that we have to think in a different way now. If you compare the situation now to what it was four years ago, would you have imagined that every day we would be talking about defence? It is in the news all the time. Would you have imagined that we would have a fully fledged committee? That we would have a Commissioner for Defence? A Vice-President responsible for cybersecurity? For many actions in different policy areas, we are now thinking about dual use, civil and military, also in cooperation with the ITRE Committee. It has changed a lot, and we need more speed, we have no time to waste. For this we need a different mindset and I am sure that our committee can make a difference. Everybody in our committee has to explain, back home, what is going on. I do it in Germany, and in Europe. I get many invitations to speak and explain what we are doing. Many people, also in government, do not necessarily trust Brussels. There is sometimes a sceptical attitude towards the EU. What is important is to trust that Brussels can make a difference. We have to work on that.

*...we have no time to waste. For this we need a different mindset...*

In the end, we as Europeans need to work together also when it comes to defence and security, as new and as awkward as this may be for some people. As politicians we need to explain this, and that this cooperation and the achievement of truly European strength in terms of defence needs to be done with both national and EU money.



# Rearming Europe together

By Jan Joel Andersson, Ministry of Defence, Sweden



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**After many years of underinvestment in defence, EU member states are now rearming. According to the latest data by the European Defence Agency (EDA), the 27 EU member states collectively spent €343 billion, or 1.9% of GDP, on defence in 2024. This was a 19% increase compared with 2023. The increase, driven largely by record levels of equipment procurement and investment in research and development, reflects member states' determination to strengthen Europe's military capabilities in response to the Russian war of aggression against Ukraine and the evolving global security environment. Jan Joel Andersson is an honorary fellow of the European Security and Defence College and political advisor to the Swedish Minister for Defence. Below, writing in a personal capacity, he dives into the different ways that countries can engage when buying weapons together<sup>1</sup>. Doing things together can be more efficient and lead to cost savings, but it is not always obvious and depends on the selected processes and structures.**

## Buying weapons together (or not)?

EU member states' defence investment in new equipment and research and development exceeded €100 billion in 2024. This accounts for 31% of total defence expenditure – the highest proportion recorded by the European Defence Agency (EDA) since data collection began. In line with this, over recent years the European defence

industry has reported a large number of new contracts for arms and equipment. However, many more is expected in the years to come since the agreed target for defence spending by North Atlantic Treaty Organization (NATO) Allies is 5% of GDP by 2035, of which 3.5% should be for core defence.

<sup>1</sup> This article is a revised and abridged version of Jan Joel Andersson's *Buying weapons together (or not)? Joint defence acquisition and parallel arms procurement*, EUISS Brief no 7, 3 April 2023. ([Buying weapons together \(or not\)? | European Union Institute for Security Studies](#))

Defence acquisition is the process of defining, obtaining and delivering arms and equipment on time, within budget, and according to set defined requirements. The terms 'defence acquisition' and 'defence procurement' are often used interchangeably. It is, however, useful to define acquisition as a broader concept which includes analysis and the decisions of what to buy, how to buy it, and how to support the systems and platforms once bought, and differentiate it from procurement, which is the negotiation and management of contracts.

The terms 'common' and 'joint' are also often used interchangeably, but it is helpful to analyse and define them. At NATO, for example, 'common funding' comprises contributions from all Allies, where the Allies collectively decide what is eligible for common funding and how much can be spent each year. 'Joint funding' means that the countries participating in a specific project or initiative can identify the priorities and the funding arrangements. In keeping with the NATO definitions, an example of 'common' in an EU context would relate to acquisition and procurement using the European Peace Facility – something to which all EU member states contribute and in which they have a voice. 'Joint' would be used to describe projects or programmes conducted by member states bilaterally or multilaterally.

Defence is a national responsibility, and most defence acquisitions are made by a government for its armed forces. There are many reasons for national acquisitions. Different geographic imperatives, strategic cultures and war-fighting doctrines all play a role in determining the requirements for defence equipment, in addition to domestic defence industry policies, international security alliances and, of course, budgets. In some countries, there are also legal limitations on international armament cooperation. Many, however, argue for more European cooperation on defence acquisition and arms procurement. The most common reasons given for this are lower costs resulting from sharing R&D and economies of scale in production, but also greater operational efficiency by fielding the same types of equipment.

There is a long history of joint defence acquisition and arms procurement in Europe. Many studies show that such collaboration has indeed delivered capabilities individual countries could not have acquired on their

own, but they have also shown how collaboration on armament can lead to capabilities being delivered many years late and over budget. In fact, a review of the literature reveals many anecdotal examples, but provides little systematic evidence of collaborative armament programmes that either engender substantive savings as a rule, or by default where they are late and over budget. One conclusion from a comprehensive study of European defence equipment collaboration simply states that 'the advantages of cooperative programmes depend on how well or poorly they are managed and the use (or not) of best practice'<sup>2</sup>.

A major challenge for analysing armament cooperation is that there is no common analytical tool for measuring success or failure. Costs and prices are notoriously difficult to compare since they depend on what is included, such as R&D, spare parts, training, maintenance and time of delivery. How to weigh cost against performance and against delivery time is also far from obvious. Moreover, many collaborative armament projects can be politically or industrially motivated rather than capability driven, making it difficult to judge what counts as a success or a failure.

One thing that scholars studying acquisition cooperation seem to agree on, however, is that transaction costs associated with international armament cooperation should not be underestimated. As emphasised in the foreword endorsing a major comparative study of defence acquisition in and among France, Germany, the United Kingdom and the United States, '[p]eople working on international cooperative programs quickly discover that different budget cycles, political issues, and cultural perspectives can exacerbate small problems and, in some cases, create larger ones'<sup>3</sup>.

Given the paucity of strong empirical evidence for or against collaborative defence acquisition, cooperation should only be expected when advantages are clear – however they are defined – or when no other alternatives exist. But EU member states may see more advantages in collaborating than is commonly believed. In fact, there may be more 'collaborative' buying than is commonly assumed by commentators and officials alike, as discussed below. Regardless, there are many significant and ongoing collaborative defence acquisition projects in Europe.

## How to buy weapons together

For analytical purposes, countries can collaborate on acquiring weapons together in at least six different ways. To differentiate between them, I propose a typology divided into

1. common acquisition;

2. joint acquisition;
3. parallel acquisition;
4. common procurement;
5. joint procurement; and
6. parallel procurement.

<sup>2</sup> See, for example, Darnis, J. P. et al., *Lessons learned from European defence equipment programmes*, Occasional Paper No 69, EUISS, 14 October 2007 ([Lessons learned from European defence equipment programmes | European Union Institute for Security Studies](#))

<sup>3</sup> See, Kausal, T., *A Comparison of the Defense Acquisition Systems of France, Great Britain, Germany, and the United States*, Defense Systems Management College Press, Fort Belvoir, VA, 1999, p. iii.

There are other typologies for analysing armaments cooperation but this one is useful in order to capture the different ways of acquiring and procuring equipment

### Common or joint acquisition

The most comprehensive – but also the most complex – form of acquisition collaboration would be for all EU member states (or NATO Allies) to agree on the requirements and funding for a weapon system, and then commonly develop and procure the equipment. A less comprehensive form is for two or more countries – but not all – to undertake the acquisition jointly. In some cases, the collaboration may extend to maintenance and support, or even the operation of the acquired equipment. Examples of multilateral joint acquisition are the Multinational Multi Role Tanker Transport (MRTT) Fleet (MMF) of Airbus A330 MRTT aircraft; the Strategic Airlift Cooperation's (SAC) fleet of Boeing C-17 aircraft for strategic transport; and NATO's Airborne Early Warning & Control (NAEW&C) Force of Boeing E3A AWACS planes. In each of these cases, a group of countries harmonised national requirements for strategic capabilities that they could not afford individually, jointly acquired them, and jointly operate them<sup>4</sup>.

There are also many cases of bilateral joint defence acquisition. One such ongoing example is the joint Belgian-Dutch minehunter replacement programme

together. 'Common' is the most comprehensive, while 'parallel' acquisition and procurement minimise the bureaucratic and legal risks.

in which 12 vessels – 6 for the Netherlands and 6 for Belgium – are being built under one contract which was awarded to a consortium led by Naval Group in 2022. After agreeing on the requirements, Belgium took the lead in the procurement process, but the Dutch participated in the evaluation<sup>5</sup>. Another example in the naval domain is the 2017 agreement between Germany and Norway to jointly develop and acquire six U212 Common Design identical submarines – four for Norway and two for Germany – and jointly train the crews.

Common or joint acquisition requires extensive negotiations and agreement not only on the requirements but also on development and procurement. It can lead to many advantages but can also be time consuming. In the case of the MMF, for instance, it took eight years from the launch of the harmonisation of requirements in 2012 to the delivery of the first aircraft in 2020, but now several European countries have a capability that they would not have been able to acquire on their own. However, this is actually an example of a rather fast joint acquisition, and national programmes can be very time consuming as well.

### Parallel acquisition

A less comprehensive but simpler form of acquisition that still offers the advantages of cooperation is for two or more collaborating countries to conduct acquisition in separate but transparent parallel processes. Separate processes reduce the amount of risk and the potential for complications that may result from, for example, certain countries' national parliamentary approval procedures or legal limitations in terms of armament cooperation, but still allow the advantages of cooperating on requirements and cooperating in negotiations with industry regarding prices and delivery times. Parallel acquisition also eliminates the risk that unexpected changes in government or the parliamentary majority in one or more of the participating countries could delay or derail the acquisition for all involved. In a parallel acquisition, each country is responsible for its own processes, but the acquisition is based on common requirements, and each country benefits from cooperation on maintenance, logistics and training.

An example of an ongoing parallel acquisition is the separate but coordinated selection for tracked Infantry

Fighting Vehicles (IFV) concluded by Slovakia and Czechia in 2022. Both countries sought to replace their Soviet-era armoured vehicles with western equipment and launched separate programmes, but had similar requirements and timelines, and received bids from the same companies. In May 2022 and after extensive trials, the Slovak Ministry of Defence publicly released its detailed evaluation of the bids, including quoted unit prices and total costs, and recommended the acquisition of 152 BAE Hägglunds CV90 MKIV from Sweden. Having largely the same requirements as Slovakia, the Czech government then cancelled its own acquisition process in July 2022 and in coordination with Slovakia<sup>6</sup>, began negotiations with Sweden for 200 CV90 MKIV. Although each country concluded its own separate contract, the acquisition itself and subsequent operation and training are thus highly coordinated. Both countries are now receiving their first vehicles and have joined eight other European countries in the CV90 user group, further benefiting from joint armament cooperation.

<sup>4</sup>See, for example, Andersson, J.J., Pooling and sharing that works: The Heavy Airlift Wing at five, [EUISS Alert, 21 October 2014](#).

<sup>5</sup>Machi, V, France joins Belgian-Dutch designs for naval demining tech, [Defence News, 19 October 2022](#).

<sup>6</sup>Europäische Sicherheit & Technik, [The Czech Republic and Slovakia procure and operate the CV 90 together, 31 August 2022](#).

## Common or joint procurement

Some defence systems may not need a lengthy period either to harmonise requirements or for development. For the joint procurement of such equipment, different options exist. One option is for a country ('country A') to procure the equipment on behalf of one or more countries as well as for its own needs. In that case, country A acts as the procurement agent in negotiations with industry both for itself and also for countries B and C. Another option is for country A to allow countries B and C to place orders within an existing framework contract that country A has already negotiated with industry.

A current example of the first option is the 2020 agreement between several European countries to jointly procure armoured tracked All-Terrain Vehicles (ATV). Based on a memorandum of understanding (MoU) between six countries to jointly acquire ATVs, a

comprehensive framework agreement was signed in 2022 between Sweden, which was also acting as the procurement authority for the other countries, and BAE Hägglunds. Under the framework agreement, the group of countries can place orders for BvS10 ATVs until 2029. In December 2022, Germany, Sweden and the UK placed a first joint order for 436 vehicles, with deliveries beginning in 2024.

Another example is recent orders for anti-tank weapons placed by Estonia and Latvia under an existing framework agreement between Sweden and the defence company SAAB from June 2019. This allows Sweden, Estonia and Latvia to place orders for Carl-Gustaf M4 weapon systems for a 10-year period. In January 2022, Lithuania joined the same framework agreement.

## Parallel procurement

In addition to the alternatives above, there is also the possibility of having separate procurement processes, but coordinating them for price and delivery schedules. Keeping the procurement contracts separate eliminates the legal uncertainties and bureaucratic complications often associated with joint procurement. At the same time, it still allows countries to negotiate better prices by consolidating demand and coordinating delivery

schedules. One example of such parallel procurement was in December 2022 when Finland and Sweden signed two separate (but simultaneous) orders for 57 mm ammunition from BAE Systems Bofors. The procurement was closely coordinated by Finland and Sweden to procure the same type of ammunition simultaneously but separately, with minimal extra bureaucracy or risk.

## European-level support

There is no lack of European defence cooperation. A recent study by the EUISS mapped some 200 European defence partnerships between the EU member states, and between member states and strategic partners such as the United States or Norway<sup>7</sup>. Many of these

are focused on armaments collaboration, including acquisition and procurement, of which some have been mentioned above. To further assist EU member states and partner countries, there are also several entities in Europe mandated to support armaments collaboration, see **Box 1**.

### Box 1 - European Union Institute for Security Studies (EUISS)

#### NATO Support and Procurement Agency (NSPA)

In the transatlantic context and since 1958, the NATO Support and Procurement Agency has provided acquisition, logistical, operational and systems support, including procurement, to NATO Allies and partner nations. This support ranges from the multinational acquisition of complex platforms such as aircraft and helicopters, to the provision of fuel, spare parts and ammunition, and services such as maintenance and transportation. The NSPA currently supports more than 90 weapons systems, including managing the C-17 transport fleet on behalf of the 12 SAC member nations, and the A330 Multirole Tanker Transport Fleet (MMF/ MRTT) for the eight participating countries.

#### Organisation Conjointe de Coopération en matière d'Armement (OCCAR)

OCCAR is the European Organisation for Joint Armament Cooperation for managing cooperative defence equipment programmes. It was established in 1996 and the current OCCAR member states are Belgium, France, Germany, Italy, Spain and the United Kingdom. The OCCAR portfolio includes programmes such as A400M, Boxer, Cobra, ESSOR, FREMM, MALE RPAS, and Tiger.

<sup>7</sup> Andersson, J.J. *European defence partnerships: Stronger together*, Brief No 3, EUISS, 2 March 2023.

## Box 1 - continued

### *European Defence Agency (EDA)*

In the EU context, the European Defence Agency is, as described in the Treaty on the European Union, 'the Agency in the field of defence capabilities development, research, acquisition and armaments'. The EDA can support member states' acquisition and procurement in several ways. For example, the agency can provide assistance in harmonising requirements, develop defence technology research, and create joint military capabilities. To this end, the EDA can contract for studies to prepare member states' investments in

collaborative projects. Examples of activities which include joint acquisition by the EDA include MARSUR, AIRMEDEVAC, and EU SATCOM services. The EDA has also taken a leading role in the joint procurement of anti-tank ammunition for several member states and 155 mm artillery shells for Ukraine. The EDA, for example, provides a framework for EU member states and Norway to jointly procure ammunition of various kinds by aggregating, coordinating and agreeing on contracts with European industry.

## Cooperation between the EDA, OCCAR and the NSPA

As discussed above, the EDA can support the acquisition lifecycle of a military product or capability, including procurement. The Organisation for Joint Armament Cooperation (OCCAR) and NATO are mandated to do the same. However, there are possibilities for cooperation between them, and each organisation has its own strengths. One advantage of the EDA framework is the agency's expertise in harmonising national requirements and translating them into cooperative solutions. The agency's Steering Board, composed of defence ministers with the European Commission as a non-voting member, is also a unique asset. OCCAR, in turn, has extensive experience of the procurement of large armaments programmes, while the NATO Support and Procurement Agency (NSPA) contributes the transatlantic dimension and a wealth of experience in managing and supporting different programmes.

An example of how joint European defence acquisition can work in practice is the MMF/MRTT fleet. The lack of air-to-air refuelling capabilities has long been recognised as a critical European shortcoming. An EDA project to harmonise national requirements at the request of member states was consequently launched, which was then transferred 'downstream' to OCCAR in 2016 for the procurement phase, with the first aircraft delivered in 2020. A cooperation agreement between OCCAR and the NSPA set the framework and conditions under which OCCAR managed the acquisition of these aircraft until the end of 2022, when responsibility for the programme was handed over to the NSPA. Today, the MMF/MRTT fleet is operational with 12 aircraft ordered for eight participating countries.

## Consolidating demand – one size does not always make sense

Much criticism has been levelled at the slow pace of European rearmament. Many argue that increased European cooperation on defence acquisition would not only make buying arms and ammunition faster and cheaper, but would also strengthen the European defence industrial base by consolidating demand. Above, I have reviewed a range of existing collaboration efforts and

proposed a typology for collaboration on acquisition and procurement. If it focuses on the desired outcomes rather than the processes, and uses existing tools and structures, the EU and its member states may be able to better collaborate on defence acquisition and arms procurement, where and how it makes most sense.

# Rebuilding Europe's defences: how to drive a coordinated defence surge

By Luigi Scazzieri, European Union Institute for Security Studies



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**Europe is a union in many ways, but when it comes to acting in unison quickly it is a patchwork of entities –, not least in the area of defence, which is still a national prerogative. Luigi Scazzieri, Senior Policy Analyst for defence at the EU Institute for Security Studies (EUISS), argues that, despite mounting external threats, Europe's has been slow to strengthen its defences. He suggests several solutions to overcome this and unlock a coordinated defence surge in Europe<sup>1</sup>.**

## Clear danger, yet slow progress

Europe's security is in danger. Russia is strengthening its forces and probing Europe's defences. Meanwhile, the United States has made clear that Europeans will be able to count on much less support in future. Europeans need to strengthen their own defences.

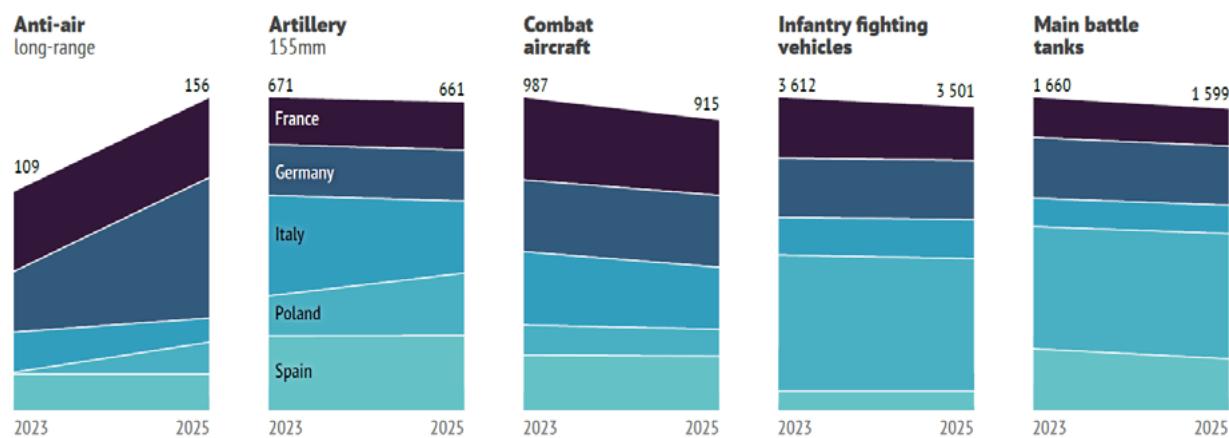
Progress has been slow. Governments have placed additional orders and industry has expanded output.

However, much of this new equipment has only served to replace systems donated to Ukraine. This is the case, for example, of many of the orders placed by Germany over the last two and a half years<sup>2</sup>. Moreover, in many areas, such as long-range strike, air defence, intelligence, and surveillance, European capabilities remain thin<sup>3</sup>.

<sup>1</sup> Luigi Scazzieri covered this topic more extensively in [Brief no. 22](#), EUISS, September 2025.

<sup>2</sup> Burilkov, A. et al, [Fit for war by 2030? European rearmament efforts vis-à-vis Russia](#), Kiel Institute and Bruegel, 1 June 2025.

<sup>3</sup> [Progress and Shortfalls in Europe's Defence: An Assessment](#), IISS, 3 September 2025.

**Figure 1 – The number of key weapon systems in major European armies has barely changed**

© IISS, Military Balance, 2023/2025

The recent increases in European defence budgets, and the pledge by European NATO allies to raise defence spending to 5% of GDP by 2035, will help Europeans address their equipment shortfalls and strengthen their domestic industrial base. But if they do not spend more efficiently, much of this renewed investment risks being wasted. Cooperation is difficult: the desire to maintain

domestic manufacturing capacity leads many to buy from national industry, and agreeing on common requirements or workshare is challenging.

## The power of small group cooperation

Europeans can overcome these barriers by harnessing the power of bilateral and small group cooperation. Coordination is much easier bilaterally or in smaller groups that share the same threat perceptions and operational requirements, and are used to working together. There are many examples of successful small group cooperation – such as the Eurofighter project between Germany, Italy, Spain and the UK; or the A330 multi-role tankers jointly procured by Belgium, Czechia, Germany, Luxembourg, the Netherlands and Norway.

Bilateral and small group cooperation has gained prominence since Russia's invasion. For example, the European Long-Range Strike Initiative is aimed at developing long-range strike capabilities and serving as the incubator of specific projects between the participant countries (France, Germany, Italy, Poland, Sweden and the UK). Another good example is the Common Armoured Vehicle Systems (CAVS) armoured personnel carrier: it was initiated by Finland and Latvia in 2020, and Denmark, Germany, Norway, Sweden and the UK have since joined – resulting in orders of 1000 units.

### Box 1 - European Union Institute for Security Studies (EUISS)

The [EUISS](#) is the EU's foreign and security policy think tank. It provides critical analysis and insights to inform the EU's strategic choices, reaching out to global security scholars and policymakers alike. Among its publications are the Chaillot Paper series, complemented by shorter Briefs and news-driven Commentaries. As an autonomous EU agency that is funded by the EU member states, the EUISS is governed by a management board of national representatives that is chaired by Kaja Kallas, the High Representative of the Union for Foreign Affairs and Security Policy. It employs approximately 40 people and is headquartered in Paris.

## Planning around the scenario 'Europe only'

Europeans also need an effective system to coordinate the expansion of their military capabilities and connect islands of cooperation into a coherent whole. Many member states conduct planning through NATO's Defence Planning Process (NDPP), which illustrates which capabilities each ally must have. However, the NDPP assumes that the US will continue to provide a significant share of key capabilities in Europe – a risky assumption given Washington's stated intention to reduce its contribution<sup>4</sup>. The EU also possesses its own planning tools such as the Capability Development Plan (CDP) managed by the European Defence Agency (EDA). However, these are not granular plans.

Europeans still lack a mechanism to effectively plan the build-up of their defences in anticipation of the reduced US role. Key questions remain unanswered: deciding what capabilities to prioritise, in what quantities, and how best to structure cooperation among European countries to minimise duplication. At its core, these questions are about risk: will Europeans continue to build up their capabilities around the assumption that the US will continue to provide core capability? In principle it would be possible for Europeans to adapt the NDPP to account for a reduced US contribution. However, this appears politically unrealistic, as most allies do not want to openly question the US contribution to European defence.

## The EU can step up cooperation efforts

The EU can play an important role in strengthening Europe's defences. It has lifted restrictions on national spending and provided funding, through a variety of tools, to foster greater cooperation and support Ukraine's defence efforts. There is significant demand for EU funding – as shown by the fact that Security Action for Europe (SAFE) loans were fully subscribed by member states. The value of EU funding lies not only in supplementing national budgets, but also in promoting cooperation. Even modest financial incentives can encourage member states to consider cooperation more seriously. According to the European Commission, the EDIRPA joint procurement instrument (an EU programme aimed at incentivising joint defence procurement) has leveraged just over €300 million of EU funding to generate €11 billion in joint orders<sup>5</sup>.

The key question is whether the EU can do more. Strengthening its planning capacity would require member states to be more willing to share detailed national plans with each other and with the EDA, and a mechanism to fully involve non-EU partners such as the UK and Norway. A more realistic option would be for the EU to establish an informal coordination group, involving willing EU members and other partners. The 'coalition of the willing' that has been planning for a post-ceasefire deployment to Ukraine could form the backbone of such a group.

When it comes to building capabilities, the EU should embrace the power of small group cooperation. It could foster the formation of 'capability coalitions' through which groups of countries would address capability priorities. Projects developed by such coalitions, and backed by EU funding, could take a range of forms: led by a single nation, coordinated by the EDA, managed by OCCAR (intergovernmental organisation for joint armament cooperation) or overseen by NATO. These organisations have already demonstrated their ability to work together effectively in developing and procuring equipment: the A330 was incubated in the EDA, which has extensive expertise in harmonising requirements, before being transferred to OCCAR for procurement and to NATO for operations.

If member states so choose, the EU itself could assume a major role in certain projects, particularly in acquiring 'enablers', such as airborne intelligence-gathering assets. When it comes to the origin of capabilities, buying military equipment from US and other non-EU manufacturers can be a logical decision if there is no EU equivalent. However, the more Europeans buy from external suppliers, the more they will depend on them.

<sup>4</sup> Spatafora, G., Fit for purpose? Reforming NATO in the age of Trump 2.0, Brief no.13, EUISS, 4 June 2025 (<https://www.iss.europa.eu/publications/briefs/fit-purpose-reforming-nato-age-trump-20>).

<sup>5</sup> European Defence Agency, [Feedback to interim consultation on the EDF](#), 20 February 2024.

## The EU's capacity to mobilise funding

The effectiveness of the EU's efforts will depend largely on the funding it can mobilise. The European Defence Industry Programme (EDIP) is likely to be adopted soon, unlocking €1.5 billion in additional resources to foster joint procurement and provide the defence industry with incentives to increase production. But unlocking more funding from the EU budget in the near future will not be easy. However, an expansion of SAFE is conceivable, and member states can channel additional resources to softer elements of defence, such as dual-use infrastructure, from the cohesion funds. There is also additional momentum behind the idea of using Russia's frozen assets as collateral for a loan to Ukraine. In the medium term, much hinges on the availability of funding for defence in the next EU budget. The Commission's initial proposal is very ambitious, with a fivefold increase in funding for defence and space to €131 billion. If approved, this would significantly influence national defence planning and add impetus to cooperative projects.

Beyond funding, the effectiveness of EU instruments also depends on their design. For EU defence tools, there is a trade-off: either prioritising capability development and efficiency by concentrating funding on a limited number of projects, or distributing funding more broadly across multiple initiatives. For example, many stakeholders think that the EDF's funding is too dispersed and that the link to priorities identified by member states is sometimes unclear. The effectiveness of EU instruments will ultimately depend on the extent to which they focus on capability priorities. This also means ensuring that non-EU European partners are involved as much as possible. Specifically, the EU should continue to facilitate the participation of Ukrainian entities in EU defence instruments, and encourage investment by EU firms in Ukraine and vice versa.

## Bolstering EU instruments for its defence ramp-up

Europe's effort to rapidly rebuild its defences hinges on whether Europeans can cooperate more effectively with one another and with Ukraine. That is primarily a national responsibility. However, if properly designed and

resourced, EU instruments can play a key role in providing coherence and driving forward Europe's defence ramp-up.





# SIPRI's quest for reliable military expenditure data

Interview with Jade Guiberteau Ricard and Lorenzo Scarazzato of the Stockholm International Peace Research Institute

By Gaston Moonen



**Accountability in any policy area – including defence – requires reliable data and transparency on expenditure, efficiency and impact. But how can we get reliable data on military expenditure when secrecy is often perceived as intrinsic to national defence? The Stockholm International Peace Research Institute (SIPRI) has acquired a stellar reputation for collecting and analysing data to research conflict, armaments, arms control, and disarmament. Two SIPRI experts – researcher Lorenzo Scarazzato and research assistant Jade Guiberteau Ricard, both in the SIPRI Military Expenditure and Arms Production Programme – answer questions about SIPRI's work, its research approaches, and the challenges encountered in obtaining data from almost every country and reporting on military expenditure.**

Jade Guiberteau Ricard and Lorenzo Scarazzato  
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## Well beyond data crunching

*SIPRI presents itself as an independent source on global security. How does SIPRI warrant this independence in a policy area where choosing sides is very common?*

*[SIPRI] ensuring an unbiased approach to data collection, input, and publication.*

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**SIPRI experts:** SIPRI warrants its independence as a source on global security by strictly adhering to principles governing its funding, research methodology, and regulatory approach. To ensure impartiality in a policy area often characterised by partisanship, SIPRI guarantees that the funding does not influence its research methodology and output. It maintains the integrity of its data by providing information through impartial methods and ensuring an unbiased approach to data collection, input, and publication. While it acknowledges the complexities of the security landscape, SIPRI's core approach is essentially that peace is preferable to insecurity and conflict. Furthermore, the institute promotes approaches to peace that focus on confidence and trust-building, arms control, disarmament, and non-proliferation, consciously eschewing a primary focus on the framework of deterrence, thereby helping to maintain its independent stance relative to the security policies of major powers. [see **Box 1**]



## Box 1 - The Stockholm International Peace Research Institute (SIPRI)

SIPRI is an independent international institute dedicated to research into conflict, armaments, arms control and disarmament. Established in 1966, SIPRI provides data, analysis and recommendations, based on open sources, to policymakers, researchers, media and the public. Based in Stockholm, SIPRI's vision is a world in which sources of insecurity are identified and understood, conflicts are prevented or resolved, and peace is sustained. SIPRI's flagship publications include the [SIPRI Yearbook](#) and [SIPRI Fact Sheets](#).

*One of SIPRI's main annual products is its Military Expenditure Database. What kind of information does the database contain, who uses the information and how?*

**SIPRI experts:** The Military Expenditure Database provides data on annual military spending worldwide since 1949. The database provides several indicators that help to increase the potential use of SIPRI's data [see **Box 2**].



## Box 2 - SIPRI's Military Expenditure Database indicators

- Regional military expenditure (Africa: North Africa and Sub-Saharan Africa; Americas: Central America and the Caribbean, North America, South America; Asia and Oceania: Oceania, South Asia, East Asia, South East Asia, Central Asia; Europe: Central Europe, Eastern Europe and Western Europe; Middle East)
- Military expenditure in current local currency by financial year
- Military expenditure in current local currency by calendar year
- Military expenditure in constant (2023) USD, the base year being updated each year.
- Military expenditure in current USD
- Military spending as a share of GDP
- Military spending per capita
- Military spending as a share of government spending

Military expenditure data measured in constant dollars is a trend indicator of the volume of resources used for military activities, and allows comparisons to be made over time for individual countries and between countries. The share of gross domestic product (GDP) is a rough indicator of the proportion of national resources used for military activities, and therefore of the economic burden imposed on national economies.

SIPRI's data are freely accessible for non-commercial purposes. The data are used by policymakers, researchers, academics, civil society organisations, intergovernmental organisations – including the UN, the OECD, and the EU – universities, think tanks, research institutes and the general public to study trends in military expenditure over time and between countries.

*What has been the main trend in military expenditure over the last decade and in 2024? How do developments in EU member states affect other regions/countries, and can you clearly distinguish the impact of the Russia-Ukraine war?*

*The 9.4% increase [in world military expenditure] in 2024 was the steepest year-on-year rise since at least 1988.*

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**SIPRI experts:** World military expenditure rose to \$2718 billion in 2024, going up by 37% between 2015 and 2024. The 9.4% increase in 2024 was the steepest year-on-year rise since at least 1988. Average military expenditure as a share of government expenditure rose to 7.1% in 2024 and world military spending per person was the highest since 1990 (\$334). For the second year in a row, military expenditure increased in all five of the world's geographical regions, reflecting heightened geopolitical tensions across the globe. The decade-long growth in global spending can be partly attributed to spending increases in Europe, largely driven by the ongoing war in Ukraine, and in the Middle East, driven by the war in Gaza and wider regional conflicts [see **Box 3**].

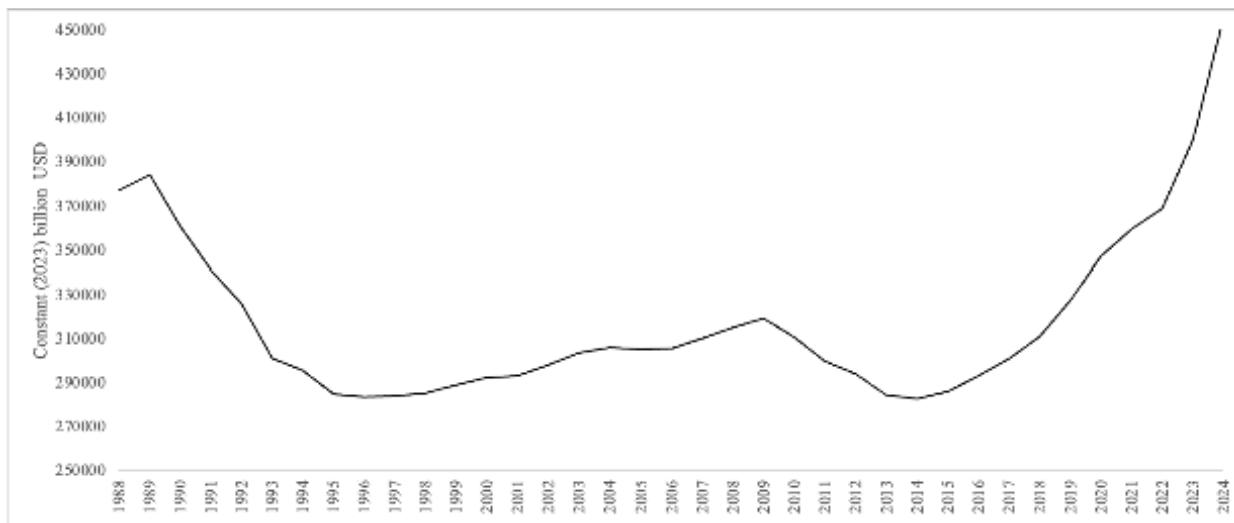
### Box 3 - Some key facts about military expenditure

- World military expenditure rose by 9.4% in real terms to \$2718 billion in 2024, the highest global total ever recorded by SIPRI.
- Total military expenditure accounted for 2.5% of global gross domestic product (GDP) in 2024. The five biggest spenders in 2024 were the USA, China, Russia, Germany and India, which together accounted for 60% of world military spending.
- The USA's military spending was \$997 billion in 2024, while China's was an estimated \$314 billion. Russia's military spending grew by 38% in 2024 to an estimated \$149 billion, equivalent to 7.1% of GDP. Ukraine was the eighth-largest military spender in 2024, with spending increasing by 2.9% to \$64.7 billion, or 34% of GDP.
- Total military spending in Europe rose by 17% to \$693 billion in 2024. All European countries except Malta increased their military spending in 2024.
- In 2024, total military expenditure by NATO members amounted to \$1.506 billion, or 55% of global spending. European NATO members spent \$454 billion in total. Of the 32 NATO members, 18 spent at least 2% per cent of GDP on their militaries in 2024, up from 11 in 2023.

*2022 marked a watershed...*

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After the end of the Cold War, Europe enjoyed the peace dividend, a period when countries were able to reduce military expenditure and spend on welfare. Countries in Central and Western Europe reached the lowest point of their military expenditure in 2014. Since then, the trend line has started to pick up, as military expenditure has risen. 2022 marked a watershed, and the year-on-year increases became more acute. In 2024, all European countries except Malta increased their military spending [See **Figure 1**].

**Figure 1 – Military expenditure in Central and Western Europe**

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## SIPRI's challenges – consistency, transparency and disaggregation

*What are the main problems encountered when keeping this database up to date? How reliable is the information it contains? To what extent are countries really transparent about their military expenditure, and what percentage of countries are in the grey zone when it comes to military expenditure data?*

**SIPRI experts:** The SIPRI Military Expenditure Database covers military spending by countries between 1949 and 2024. This yields long-term series for many countries with different definitions of military expenditure. Ensuring that the series is consistent is a challenge because of varying definitions of military expenditure. Indeed, every country – and more broadly every source – uses a specific definition of military expenditure which may not fit SIPRI's definition. Ensuring consistency across countries to compare their military expenditure therefore poses a challenge.

The data used by SIPRI's military expenditure database are generally very reliable, as they are sourced from official government documents for all but one country: Myanmar. The main challenges in keeping the database up to date do not concern headline total spending (which countries are typically required to report publicly), but rather the lack of transparency about how that money is allocated. The breakdown of spending – such as personnel, infrastructure, operations, R&D, procurement and operations – is often obscured. This represents a significant grey zone in the data, which vary greatly by region: while countries in Europe and the Americas are generally quite transparent in providing these detailed breakdowns, there is almost no breakdown for the information provided by countries in Africa, Asia, and the Middle East. In the most extreme cases, data for military expenditure may no longer be available, e.g. for Djibouti since 2009; or the data can be shortened, thus requiring estimates to fill the gaps, such as for Russia since 2022. The strategic feature of military expenditure is often used as an explanation for the decrease in data transparency, which then limits access and understanding of the way the national budget is allocated.

*The data used by SIPRI's military expenditure database (...) are sourced from official government documents...*

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*Around the world, governments balance security of confidential information against budget transparency and accountability. Does SIPRI provide a ranking of countries for transparency on military spending, and thus transparency in their budgets? If so, what is this ranking like for EU member states, and for NATO members?*

**SIPRI experts:** SIPRI does not rank the transparency of budgets. A challenge for SIPRI when using official budgets is to have enough information and disaggregation to identify expenditure fitting our definition of military expenditure. To this end, every year we send questionnaires to countries around the world, asking them to provide a breakdown of their military expenditure. Many EU member states and NATO members are responsive, thanks in part to SIPRI's reputation and the relationship we have built up over the years.

*What are SIPRI's prerequisites for achieving such transparency? Can you provide some examples of good/bad practice?*

**SIPRI experts:** Our prerequisites for military expenditure transparency are a transparent and inclusive process in the way the budget is drawn up, and the application of good budgetary practices and public expenditure management that follow international standards. A transparent process must cover all stages, from initial budget proposals to negotiations, deliberations and final approval. The requisite budgetary practices adhere to principles such as comprehensiveness, contestability, predictability, discipline, honesty, transparency, accountability, and legitimacy. In practice, these requirements are mostly followed in many EU countries, which serve as good examples because they possess the well-developed institutions needed to manage these activities. Conversely, transparency is less clear in countries that lack these well-developed institutions, and so these vital governance activities are not adequately covered.

...transparency is less clear in countries that lack these well-developed institutions...

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*Does SIPRI look at spending on secret items relating to national security and military intelligence?*

**SIPRI experts:** SIPRI attempts to track spending on secret items relating to national security and military intelligence as far as the available information allows. For instance, in countries such as the USA and the UK, SIPRI records figures for military and national intelligence spending that it suspects are linked to military activities. However, precisely identifying expenditure on national security and military intelligence can be challenging, and depends largely on the breakdown a country provides. While military intelligence is explicitly included in SIPRI's definition of military expenditure, and only military-related items would be included under national security matters, the necessary disaggregation is often unavailable. In most cases, countries do not provide a detailed definition of budget expenditure, meaning, in practice, that it is not possible to systematically establish whether such specific, secret expenditure is fully accounted for.

## Making use of audited data, where possible

*Does SIPRI's analysis take account of audit reports on military expenditure, particularly the (financial and compliance) reports by a nation's external auditor – its national audit office?*

...SIPRI does take account of audit reports on military expenditure.

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**SIPRI experts:** Yes, SIPRI does take account of audit reports on military expenditure. This is intrinsically linked to SIPRI's unique practice of revising military expenditure data every year to try to incorporate actual, and later, audited expenditure as the data become available or more accurate. This commitment to continuous revision ensures that the data reflect the most accurate figures over time. A specific example is South Africa, where SIPRI uses the audited results for T-3 years once those reports are publicly released. Similarly, for countries such as Sweden, SIPRI incorporates the actual spending figures, which are also audited, directly into its analysis.

*What would you like to see in audit reports to improve the information and data on military spending? How do you think external auditors can help SIPRI in this respect? And how do you think the ECA can play a role in this area?*

SIPRI would like to see publicly available audit reports on military spending in order to improve information and data, consistent with the principle of external auditing as part of good practices in Public Financial Management (PFM), such as those included in the Public Expenditure and Financial Accountability (PEFA) framework.

*SIPRI believes external auditing should be the expected standard across all government sectors, and military spending is no exception.*

SIPRI believes external auditing should be the expected standard across all government sectors, and military spending is no exception. External auditors – including the ECA – can significantly help SIPRI by making their financial and compliance reports on military expenditure publicly available. This transparency would allow SIPRI to incorporate these audited results – which reflect actual spending and accountability findings – into its database, thus improving the reliability and accuracy of its military expenditure analysis. SIPRI stands for transparency and accountability. In view of the sudden influx of money generated by European rearmament plans, providing reliable data is more critical than ever.

*Does SIPRI collaborate with other organisations, such as Transparency International, that work on budget transparency and data analysis? If so, in what way?*

**SIPRI experts:** SIPRI generally works with other organisations focused on budget transparency and data analysis, primarily through joint events where issues of transparency in military matters are discussed. SIPRI also has connections with UN bodies, other think tanks, and civil society organisations.

*Is EU spending on defence – i.e. what the EU itself, in addition to national governments, spends, very often not directly on arms purchases – taken into account in SIPRI's database and analysis?*

**SIPRI experts:** SIPRI does take the EU's military spending into account. In the most recent data, only the European Defence Fund (EDF) was included, as instruments such as the European Peace Facility (EPF) are reported under the respective member states' military expenditure. Given the EU's current efforts to expand its role in military matters, it is likely that a higher portion of the EU budget will be dedicated to military expenditure through multiple mechanisms in the future.

## Military expenditure is no guarantee of military capability

*To what extent does military spending measure military capability?*

*Military expenditure (...) does not measure the acquired stock of capabilities*

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**SIPRI experts:** Military expenditure is a measure of current resources devoted to renewing, replacing and expanding military capability. It does not measure the acquired stock of capabilities represented both by previous stocks of equipment and by accumulated knowledge, experience, infrastructure, organisation and doctrines within the military establishment. Another important factor will be whether the breakdown of military expenditure between, for example, personnel and equipment expenditure, is appropriate for the types of military task desired by the country. If most of a country's high level of military spending is going towards maintaining an excessively large army, such spending may not translate into much meaningful military capability. Another factor is the efficiency of military expenditure, which may be adversely affected by corruption, poor management and organisation of forces, or poor planning and execution of equipment projects. A further factor is a country's technological absorption capability. Large sums of money spent on major high-tech equipment may be of little value if a country lacks the trained personnel, military organisation and doctrine to use that equipment effectively.

*...extreme caution should be exercised in establishing a link between a country's level of military expenditure and its military power...*

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A country's military power will also depend on a whole range of other political, geographical and economic factors. These include the country's overall economic and industrial strength, its size in terms of borders and coastlines to be defended, the terrain on which armed forces may be expected to operate, the quality of communications between different areas of operation, the strength of potential adversaries and alliances with other countries, and the country's position within the international community. Overall, extreme caution should be exercised in establishing a link between a country's level of military expenditure and its military power, as many factors contribute to military capability.

*What do you see as the main challenge – if not the main risk – for SIPRI to be able to continue its work and provide reliable data on military expenditure? What effect has the changing geopolitical situation had on SIPRI's work?*

*Another major risk is the rise of mis- and disinformation...*

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SIPRI experts: The main challenge and risk for SIPRI to be able to continue to provide reliable military expenditure data is the changing geopolitical environment. This is increasingly based on a security narrative that is centred on deterrence and military strength, and so diminishes the political importance of disarmament, arms control, and peace, all aspects which historically brought adversaries together, even during the Cold War. This lack of political interest translates into less support for SIPRI's work, and jeopardises its financial independence. Another major risk is the rise of mis- and disinformation, where data are purposefully spread or interpreted incorrectly in order to promote a certain narrative. This fundamentally undermines the authority of and public confidence in the data being cited, and makes it difficult to discern facts from noise.



# European defence taking priority: political and financial considerations

By Robert Pszczel, Centre for Eastern Studies



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**Over the past few years, Europe has received several wake-up calls in connection with defence. A new geopolitical situation requires Europe, including the EU, to act swiftly. How can Europe navigate to safer waters by bringing its defence capacity to a level that provides a credible deterrence? Robert Pszczel, Senior Fellow at the Security and Defence Department of the Centre for Eastern Studies and former NATO diplomat, explains some key principles and guidelines which should help Europe to secure the necessary financial means to bolster its defence capacity in the coming years.**

## Europe is under attack...

European countries have recently been the target of sustained hybrid attacks and military provocations. They believe that such attacks originate primarily from Russia. Seabed cables are being cut, disinformation campaigns are being waged to undermine democratic institutions, acts of sabotage are becoming more dangerous, cyberattacks and drone incursions more brazen. Airports are suffering closures caused by provocations involving balloons and drones; the safety of critical infrastructure such as energy grids, health system, railways is being severely tested; shadow fleet vessels are being used not only to evade sanctions, but also to carry out

security probes. Migration-related pressures have been weaponised by hostile actors, in particular Russia and Belarus. These developments look very different from traditional wars of the past, but they fulfil the criteria of a *casus belli* and should be treated as such. While the member states situated closer to Russia are feeling the discomfort more acutely than those that are further away, not a single European country is immune from current and future threats.

In parallel, Putin's regime is continuing its full-scale war against Ukraine and has no intention of ending it, as this

would entail grave risks for its survival. The return home of thousands of frustrated and angry armed combatants from the frontline without a full victory could topple current rulers – as has already happened in Russia's past. Putin's regime has become a hostage to its confrontation with the democratic community. It has put Russia's economy on a war footing and obtained support for its political, information and military operations from like-minded autocracies such as China, Iran, North Korea and Belarus. If victorious against Ukraine, it will certainly entertain the risk of war against EU or NATO members. Russia's goals go beyond Ukraine. They include the destruction of the architecture which currently undergirds peace in Europe, based on transatlantic security guarantees backed by US military presence and a nuclear umbrella, and the reintroduction of nineteenth-century spheres of influence on the continent.

## ...and its strategic holiday is over

The scene is set for action. The mutually reinforcing link between prosperity and economic well-being, and investment in security is as valid today as it was in the late 1940s, when the Marshall Plan and the creation of NATO laid the foundations for peace and integration in Europe. Europe's strategic holiday is over. Cheap energy supplies from Russia are a thing of the past: that era has ended. Relying on Chinese manufacturing so that Europeans can concentrate on services and other economic outputs has become downright dangerous. Blackmail over rare earth minerals and justifiable fears of Chinese threats to the security of supply chains (to which Europe is vulnerable as a result of its extreme dependence on Chinese raw materials for products such as pharmaceutical ingredients, electric cars, military products, microchips, and clean energy) prove this beyond any doubt.

Equally, the old West European habit of outsourcing security to United States is also no longer an option. The United States still provides an essential part of European defence. It provides the continent's chief nuclear deterrent, as well as key enabling inputs such

Deterring and containing Russia is therefore an urgent imperative for Europe. That applies today, and will continue to apply for years to come. The lessons of history from the 1930s are clear: a policy of 'hoping for the best', prevarication, appeasement, waiting for changes in the predatory state itself, is a recipe for capitulation and disaster. Ultimately, the majority of Europe's borders are protected by NATO's collective and transatlantic defence arrangements. But these, in turn, rely on American goodwill; these can no longer be taken for granted under the second Trump administration, and they come with strings attached. These strings are transactional but easy to understand: Washington expects Europeans to pull their weight and share the burden of defence more meaningfully. And fast.

as intelligence, surveillance, logistics and, should the need arise, essential reinforcement troops: the 82<sup>nd</sup> airborne rapid deployment division based at Fort Bragg, for example. But Washington will only maintain this collective defence input if it sees real progress in the form of a dramatic increase in defence spending by NATO members, which led to a pledge being made at the NATO summit in the Hague to spend 3.5% of GDP on "hard" defence and a further 1.5% on security infrastructure. This is not a figure that has been pulled out of the air: it has been identified as the amount of stable, long-term financing required to bring European military capabilities, which are currently lacking, onto a solid and reliable foundation.

In this article, I will limit myself to offering some observations on key principles and guidelines that could inform decision-making and evaluation processes associated with securing the necessary funds for ensuring that Europe's defence capabilities are equal to the task they face.

## Five guiding principles to revitalise Europe's defence

### *Defence considerations have to outweigh other factors*

First, treating security as a top priority must mean exactly that: defence considerations must outweigh other factors, important as they may also be. One could call this a "meta-principle": all other principles must flow from it.

The European Council has accepted that member states must improve their preparedness for high-intensity armed conflict. Times of conflict and war are governed by different rules from those governing peacetime. History provides valuable lessons which we ignore at our peril. One of them is the fact that mobilising resources to win a war (or, even better, to prevent one) usually involves higher level of debt. Pretending that this rule can be bypassed would be naive at best.

The other lesson is the importance of attribution. This is a political issue, but it has immense practical implications. Governments and international institutions must overcome their hesitations about clearly communicating specific threats and their acuteness, as well as naming hostile actors.

For example, in the NATO and EU context, the broad definition of "urgent security investments" includes projects eligible for funding or credit facilities from such mechanisms as Security Action for Europe (SAFE) or the European Defence Industry Programme (EDIP) which provide funding for dual-use infrastructure (civilian and military). But what if a request for such funding concerns

ports owned, fully or partly, by hostile powers? Should it be rejected? Even if the problem of ownership does not arise, the dependence of a given project on supplies of critical components from unreliable sources still needs to be considered. And what about ideas – increasingly popular today – that assisted spending on defence should even cover clean energy projects? This may seem justified in some circumstances. But with the knowledge that

China has a strong hold on the production of climate-friendly appliances and goods, are such projects as unobjectionable as they seem? Instead of an investment in security, such a project could turn out to be a security threat. Consequently, defining the threat and, ideally, naming the adversary associated with it should become a mandatory part of all financing applications in this area.

### *Loosening restrictions on credit and grant facilities*

Second, while there has been undeniable progress in Europe in loosening restrictions on credit and grant facilities associated with defence spending – such as a relaxation of the Stability and Growth Pact criteria on debt and cohesion policy rule and a broadening of the mandate of the European Investment Bank (EIB) – the process has not gone far enough. After all, the EIB is still

forbidden from offering loans aimed at supporting the production of weapons and ammunition. Some funding institutions, such as certain pension funds, have even tighter restrictions in this area. This is a limitation that directly contradicts the principle of security as a top priority.

### *Risk of duplication and conflicts of interest*

Third, despite public reassurances by high-level officials on close coordination of defence spending and defence production efforts between NATO and EU, there is a visible risk of duplication, or even conflicts of interest. The obvious pressure point is a rule on eligibility for EU funds. At the moment, projects can only receive funding if no more than 35% of their components or "design authority" originates from outside the EU or associated countries. The purpose of this rule is noble – to stimulate the development of European industrial and military capabilities. But the full effects of this rule are not yet fully known, and could turn out to be highly detrimental.

A further problem relates to the pledges many European countries have made to purchase US equipment for Ukraine. This goes beyond commercial considerations – there are political ramifications, possibly existential ones, to the prolongation of US assistance to Kyiv. A key part of the deal is a promise made through NATO of substantial purchases of US equipment destined for Ukraine paid by Ukraine's non-US (and mainly European) partners.

We already know what happens when a large European country needs to start quickly purchasing weapon systems in large numbers – Poland provides us with a clear example. Having given Ukraine the bulk of its Soviet-legacy (but still fully operational) weapons systems in 2022, Warsaw needed to fill the gaps with new equipment as soon as possible. Even though it was ready – and even preferred – to buy items from European companies, it was confronted with unacceptably long delivery times. Instead, therefore, it purchased US or Korean products. Now Germany is finally ready to finance hundreds of

new projects, with a value of close to €400 bn. There is simply no reason to assume that Berlin will only make its acquisition choices on the basis of a "prefer European" rule. It needs genuine inducements to do so – and if none exist, other considerations will prevail. There will ultimately need to be some creative flexibility in applying the 35% rule if the EU funding allocated for investment in defence policy is to have the desired impact.

Currently, the US is shifting its defence focus away from Europe towards the Indo-Pacific, and closer to home. This shift in focus is likely to result in gaps, and if these are to be filled satisfactorily, defence investments will need to be concentrated where the need is greatest. To achieve this, there will need to be a much higher degree of coordination between NATO and EU.

These gaps are known and mentioned in EU documents; they include air and missile defence, missiles, ammunition, drones and counter-drones. But the driving agency is NATO, which drives acquisitions through its classified defence planning cycle. However, in a recent communiqué from 23 October 2025, the European Council suggested that EU organisations (such as the European Defence Agency) should expand their work into new realms of military expertise. This is likely to generate unnecessary tension between NATO and EU over competencies and data security. While they are not unsurmountable, such seemingly minor issues, unless they are addressed through a rigorous evaluation process, can hamper the whole defence investment augmentation programme.

### *Grants to where the needs are the highest*

Fourth, the level of direct security threat differs across regions, and is highest and most immediate on the eastern flank of Europe. This fact should drive a policy

of positive discrimination in terms of facilitating access to grants and financial instruments benefiting the most vulnerable EU members. Unfortunately, while some

effort has been made to cater to their special needs, an excessive reliance on the concept of capability-built coalitions has led to the rejection of flagship projects of the greatest importance to the eastern flank, such as the European Drone Defence Initiative and Eastern Flank Watch (see the results of the same EU summit in October 2025). A similar fate met two specific funding requests from Estonia and Lithuania earlier this year on counter-drone financing, in spite of previous lofty announcements

on the European Drone Wall initiative. The experience so far with distribution of funds for projects under EDIP also shows a preference towards more established (and better funded) companies in Western Europe. Unless this tendency is reversed, the whole cluster of initiatives developed within the EU on increasing military and defence production capabilities will hit a political wall as the countries of the eastern flank refuse to accept this situation.

## *Enhanced accountability actions to ensure actual capabilities*

Fifth, European countries should tackle the issue of accountability more vigorously. In practical terms, this means designing a more effective mechanism than the arrangements that are used today to verify that allocated financial means for priority defence projects do in fact lead to a real increase in capabilities. This is a difficult task: defence is a special domain, and additional requirements need to be met.

- Auditing institutions need to have military and defence experts available to them, with the appropriate security clearances. Defence spending has various particularities that distinguish it from spending in other areas; without real subject expertise, accurate and informative analysis becomes impossible.

- To enable a rational ex post evaluation of any project's utility, a description of envisaged capability goals to be achieved through a specific financial allocation (in addition to quantitative parameters) should be required in initial funding applications. Definitions of capability should be sufficiently broad to include categories going beyond classical military tools, covering areas which can make a credible contribution to improving defence and security capabilities. Examples include military mobility, resilience and societal mobilisation.
- It would be wise to set realistic expectations from the evaluation process itself. An increased level of financial discipline and improvement of cost-benefit analysis could be worthy objectives.

## *Designing new forms of financing*

Finally, more flexible consideration should be given to ideas aimed at identifying and designing new and additional forms of financing. The bill for all necessary investments is high, and will continue to rise. Money is needed for things such as increased defence budgets, providing financing help to Ukraine, whose resistance is buying time for Europeans to upgrade their defence capabilities, and for stimulating the revival of the defence industry.

In reality, low-hanging fruit in the form of Russian sovereign frozen assets kept by Euroclear is still not available. Some wealthy countries, such as Spain, continue to resist raising national defence spending. The €150 bn allocated to the SAFE programme is impressive – but this is a credit facility, and many governments that are already facing tough fiscal limitations are likely to

be reluctant to draw too heavily on it. EDIP funds are rather small. And while significant funds are expected to be allocated for defence expenditure under the new multiannual financial framework, this still needs to be agreed.

As a result, the almost automatic rejection of the proposal to issue Eurobonds for defence spending (which would greatly facilitate access to capital for fiscally challenged states), or at least increasing limits on acceptable debt rates for EU members, appears somewhat short-sighted. It fails the test of solidarity by refusing to treat defence as a priority. The same observation could be made about the lack of enthusiasm for proposals which could introduce new forms of private-public financial partnerships, such as establishment of a special bank focusing on defence investments.

## **Clever actions aimed at speed and impact**

Excessive gloom is unwarranted. Europe has the capacity to deal with the unprecedented security challenges facing it – it has the expertise, economic and technological resources, and public support, to prevail in a confrontation imposed by Russia and its allies. Russia is economically weak and under huge fiscal strain. And despite the current fissures, the transatlantic Alliance

is continuing to hold: Europeans are not alone. But a positive outcome in the confrontation will not happen thanks to deus ex machina intervention. Europeans must act urgently and boldly. And clever mechanisms to ensure appropriate financing of necessary defence investments may turn out to be the best guarantee of success.

# EU defence – a foresight perspective on accountability challenges

By Oana Dumitrescu, Directorate of the Presidency



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**An important condition for achieving accountability is having reliable information about plans and their (prospects of) success. Since it cannot function in the first place without security, the EU has responded with several measures to the emerging threats it perceives. In her contribution, Oana Dumitrescu, a foresight, risk and strategy officer at the ECA, identifies key actions the EU is taking for its security, and signals some daunting issues on the horizon. She also provides insights into the kind of accountability questions that come into play, particularly for public auditors.**

## Various and new threats push EU security into the spotlight

Defence has become a central topic due to shifts in the attitudes of the EU's neighbours and allies, ending the post-World War II peace paradigm. Though the member states also experienced the Cold War, recent conflicts near EU borders are prompting a reassessment of neutrality and collaboration.

After Russia's invasion of Ukraine, ideas about a long-lasting peace started to dissipate. This conflict, the largest and deadliest in Europe since World War II, has revealed new facets of war. Disinformation and misinformation, drone attacks and flights very close to our external borders or even intrusions into EU airspace or sabotage of

critical infrastructure – all weapons to divide us and make us weaker, not only within the EU, but also relative to our traditional allies.

The EU had already begun to consider its autonomy, starting with its energy supply, during the previous Russian attack and occupation of Crimea in 2014. However, the EU's plan at the time lacked concrete and effective actions. It was only after 2022 that the EU fully recognised defence as a critical component of its strategic autonomy. The Commission then adopted the EU's [Strategic Compass](#), aimed at enhancing our security and defence policy by 2030. Its 80 concrete actions concern

military deployment and mobility, cybersecurity, maritime security, space security, misinformation, disinformation, manipulation and foreign interference, and not least, investment in the EU's defence technological and industrial base.

In 2024, the Commission also created a new position of EU Commissioner for Defence and, in 2025, it proposed a multiannual financial framework (MFF) including defence

as one of its priorities, alongside more recent policy actions such as the creation of an EU democracy shield, an EU air shield or an EU space shield. The current direction of EU action is clear, but what are the unsolved issues, uncertainties and weak signals that might affect our current plans for 2030 and beyond?

### The building blocks of a fully prepared Union



© European Union / Source: Niinisto report [Safer Together – Strengthening Europe's Civilian and Military Preparedness and Readiness](#), 2024.

The known issues are already included in the Draghi, Letta and Niinisto reports, and I am not going to discuss them here. However, there is one diagram in the [Niinisto](#) report that summarises known threats and is useful for understanding the EU's current threat landscape, particularly in terms of areas where we need to build preparedness.

What are not specifically included in the diagram, but valid and important nonetheless, are the growing inequalities and the technological threats, such as threats to employment or threats posed by misinformation and manipulation, which could lead EU citizens away from EU values and undermine trust in established political institutions in the EU and its member states. In the medium term, uncertainties revolve around whether we will be able to coordinate, cooperate and transcend nationalism to achieve a true EU defence and security policy. In the longer term, the degree of uncertainty

increases the further into the future we look, but so does the time we have to think ahead and prepare for such possibilities.

The Commission already highlights some key aspects for the future of EU defence and security in its vision for 2040, set out in its [foresight report 2025](#). EU security is identified as a key aspect of this vision, along with resilience 2.0 – the ability to thrive and move forward even with shocks and negative trends. According to this report, the main threats to the EU's defence include the deterioration of the rules-based international order, the EU's dependencies and insufficient preparedness, new technologies such as space defence and militarisation, technological (e.g. quantum-based) threats, cyber threats and AI-led fighting capacities.

## New frontiers in 'conventional' war

The war of aggression against Ukraine has already changed the face of conventional war: smaller groups of military forces instead of battalions and tanks, drone attacks and surveillance, in addition to conventional missiles and satellite views, etc. This demands a reconsideration of defence capabilities. There have already been discussions about drone defences, a [drone wall](#) and the cost of fighting low-cost but dangerous drones with traditional, expensive weaponry. These discussions have also included the idea of redirecting some defence investment towards drone and other autonomous or semi-autonomous technologies. With

autonomous technologies, in particular, the implications for accountability are huge: decisions on the battlefield or in command centres may be subject to little or no human control. However, the role of public auditors in the context of accountability for actions taken during conflict is relatively limited, not only because of the urgency of these actions, but also because of auditors' limited access and remit in this area. Public auditors can, however, help ensure that when autonomous technologies are publicly funded, such investments are accompanied by appropriate safeguards to preserve human agency.

## Ensuring space access and defending against space threats

The EU is already concerned about future space threats. Such threats concern either events of cosmic origin, such as radiation from solar flares or inert space objects that risk damaging terrestrial and space infrastructures, as well as man-made space threats to these infrastructures, including satellites and anti-satellite systems, cyber-attacks, electronic warfare and directed energy, or other types of weaponry and even space debris.



©European Union. Source: European Commission, [EU Space Strategy for Security and Defence, Defence Industry and Space](#)

Lunar research capabilities also potentially provide space access, but are also a defence and security concern, particularly as they currently involve actors which are (openly or less openly) hostile to the EU and its long-standing partners. The best-known example is the [International Lunar Research Station](#) project, led by China and Russia and scheduled to start after the completion of the [Chang'e 8](#) mission in 2028. Although ostensibly

a research station, its aims also include exploiting lunar resources, which could give the countries involved a competitive advantage in economic, security and defence terms.

As a result of worldwide developments in [space capabilities](#), the EU published its space strategy for security and defence in 2023. It promotes a regular assessment of space threats, and the development of technologies and capabilities to increase the EU's resilience in the face of such threats. Investments in such technologies need to be coordinated at EU level. In particular, the EU aims to develop synergies between the European Defence Fund, the EU Space Programme, the Union Security Connectivity Programme (IRIS<sup>2</sup>), Horizon Europe and other relevant programmes. There is also a need to coordinate EU initiatives, including the Chips Act and the Critical Raw Materials Act, as well as developing possible alliances with international partners and important projects of common European interest, to strengthen the security of supply and the resilience of space systems and services.

Public auditors, and in particular the ECA, are well placed to obtain an overview of the design and functioning of such synergies and of the potential flaws in coordination between initiatives and programmes funded by the EU budget, and between EU funds and funds that are European but outside the EU budget (coordinated by member states or NATO). But this role in transparency and accountability for actions and initiatives must be supported by an adequate legal framework and audit mandate that allows the ECA to check for coordination and complementarities between various EU funds and those outside the EU budget.

## Technological opportunities and threats to our security

Expectations regarding technologies such as artificial intelligence (AI) and quantum<sup>1</sup> range from mild impact to an existential threat or paradigm shift. Looking further into the future (to 2050 and beyond), some AI developments are likely to go beyond what we can imagine today. The most significant challenge would be the achievement of general artificial intelligence or even artificial super-intelligence, as the next steps up from narrow artificial intelligence<sup>2</sup>. These developments may challenge authority – or even be perceived as superior to human leadership and decision-making power – and may influence both the performance and the risks of autonomous weaponry. Public auditors can play a role, as explained above, in ensuring that the public interest is safeguarded during such technological developments, by scrutinising their governance and funding.

In terms of quantum developments, quantum and quantum-resilient communications are critical technologies in defence, as identified by the [EU's economic security strategy](#) and the [white paper for European defence - Readiness 2030](#). They allow secure information transfers – for example between satellites, drones or the battlefield and command centres. Secure

information transfers rely on quantum cryptography and, potentially, quantum-specific infrastructure. As regards quantum cryptography, sensitive information is already meant to start being encrypted using post-quantum cryptography solutions – which are applicable not only in defence, but also in other areas critical for EU security, such as energy or finance. Information security can also contribute to accountability, if proper control mechanisms are in place. In terms of the infrastructure needed for quantum communication, the EU is already taking steps to build quantum networks, as illustrated in the 2025 [Quantum Europe strategy](#).

Moreover, quantum sensors currently under development may prove useful for anticipating, and maybe even preventing, surprise attacks or major natural events that could weaken EU defences. Based on subtle changes in environmental parameters, they can indicate impending danger. Also, AI- and quantum-based modelling could in future enable the development and testing of war or catastrophe scenarios, including natural, chemical, nuclear or health hazards, and help with damage prevention and control.

## For the sake of defending EU values such as accountability... including in defence expenditure

Investment in the coming years, particularly through the next MFF, is crucial for the EU to gain ground in AI and quantum technologies. Both private and public funding is likely to be directed towards start-ups and scale-ups, securing supply chains and producing quantum technologies on an industrial scale. Public money, or at least public guarantees, will be necessary for investment in defence, as such investment is not only risky but also ethically challenging. Within the limits of our mandate, the ECA must assess whether all EU public investment is not only effective, but also efficient. In particular, costs should be balanced with benefits. This is especially true, for example, in the case of investment in expensive quantum infrastructure, considering that it was recently demonstrated that 'quantum states' (the information contained in a quantum system) can also be transferred via [existing optic fibre infrastructure](#). Moreover, in providing accountability, the ECA can play a role in ensuring that EU investment in and guarantees for defence technologies are aligned not only with EU security considerations, but also with EU values such as peace, freedom, human rights, and social and environmental sustainability.

Private funding has become an important enabler for the development of our future security and defence capabilities, given the multiple constraints on public budgets. This means the role played by private companies in defence is becoming ever stronger. This is nothing new – the military-industrial complex has always existed. What is new, however, is the power that these private companies can achieve through their technology and their degree of control over it, extrapolating from the soft power achieved by today's big tech corporations. For example, having today's connected technology controlled remotely from, and equipment and infrastructure transmitting data live to, the servers of the companies that produce and sell them, poses a risk to security in the sensitive area of national defence and security. This is best illustrated by the discussion within the EU about member states banning Huawei, and more recently ZTE Corp, from developing the EU's 5G and next-generation networks because of fears about them spying and obtaining remote control over or access to the EU's critical communication infrastructure<sup>3</sup>.

<sup>1</sup> Material based in part on the 2025 ESPAS foresight paper '[Artificial intelligence, quantum and cybersecurity by 2040: Are we ready for the disruption?](#)'

<sup>2</sup> See how [IBM explains the three types of AI](#).

<sup>3</sup> See Tech Crunch article '[EU considers law to phase out Huawei and ZTE equipment from bloc's telecom networks](#)' (2025), and Reuters article '[EU explores banning Huawei, ZTE Corp from mobile networks of member countries](#)' (2025).

Faced with the danger of cyber interference and threats to critical infrastructure (the latter sometimes being funded from the EU budget), we should ask: to what extent should accountability and audit include checks to ensure data has been kept confidential, with no unauthorised transmission? In other words, should public auditors, such the ECA, be involved in or responsible for auditing or examining the IT systems of defence and critical infrastructure contractors for EU-funded cross-border or national infrastructure projects? If such checks were fragmented (i.e. carried out only at member state level, with different standards and rules in each country), this might undermine accountability, transparency and trust and create blockages, potentially hampering the creation of an EU network of critical infrastructure or of common EU defence infrastructure.

Another question is: how we can ensure that private defence contractors remain accountable and loyal to public and EU interests, particularly if they receive EU funding? In the future, will they be able, once they acquire a strong financial standing and sufficient soft and hard power, to oppose member states or the EU in pursuit of

their own diverging interests? One situation already seen in battle is the blocking of Ukraine's Starlink access, on the orders of Elon Musk<sup>4</sup>. And, if so, who will ensure that the private contractors providing critical defence services and infrastructure remain accountable? Public auditors, such as the ECA, as well as those at national and regional level, can play a big role in helping member states and the EU build a strong governance and accountability framework. Lawmakers should consider this carefully when deciding what role public auditors, and public scrutiny in general, should play in defence.

In conclusion: even if we don't always know the consequences of technological and defence developments, we need to stay informed, plan ahead and reflect upon their possible consequences. Because we, as public auditors, need to continue ensuring transparency and accountability, and promoting a solid governance framework that limits threats not only to security, but also to democracy and EU values – the very foundations of the EU as we know it and the reasons we want to defend it in the first place.

<sup>4</sup> See Reuters article '[Musk ordered shutdown of Starlink satellite service as Ukraine retook territory from Russia](#)' (2025).



# 'The trust building industry includes providing criticism'

Interview with Lucian Romaşcanu, ECA Member since 1 July 2025

By Gaston Moonen

**On 1 July 2025 Lucian Romaşcanu succeeded Viorel Ştefan, starting his six-year term as the ECA Member from Romania. With a career of 40 years in both the private and the public sectors, the new ECA Member brings a lot of experience to the ECA and also plenty of enthusiasm for his new tasks and the EU as a whole. Below he shares some of his new experiences, his thoughts on topics ranging from 360° audits to ensuring the ECA's independence, and what he hopes to contribute, including creating a pleasant working environment.**

## Going to the ECA – not written in the stars, yet a premonition

*...I like to tell things how they are...* **”**

When stepping into his office, Lucian Romaşcanu greets me with a wide smile, saying he is looking forward to an unrehearsed interview. 'And an open one because I like to tell things how they are, how I see them.' With a background in media, he explains that his exposure to journalists comes more from his experience as spokesperson of his political party, rather than from working in the private sector in the media business. 'I was in media management, as director and CEO and, not being raised in a political environment, I was different, telling things how they were. And I think I contributed by doing so because we won all the elections during my tenure as politician.'

The new ECA Member shares that recently, in August 2025, he celebrated 40 years of employment. 'I started working at the age of 18 – I also worked during my studies. In 1989, after the revolution in Romania, I worked first for 27 years mostly in the media, an industry full of turmoil.' He points out that when he was young, he still had thoughts about working for the government, in foreign affairs. 'But at that time, it was 1991. When comparing the salary with what I was earning in the private sector, I said to myself: "It is not yet the moment."

He recalls that several years later, in 2016, a good friend of his asked him to become number one on the list of the Social Democratic Party to run for the Senate in Romania. 'While the salary gap was still high, so was the honour of the proposal, and after discussing it with my family, I ran for that. I was lucky to be immediately appointed as Chair of the Culture and Media Committee in the Senate. And in six months I was appointed as Minister of Culture.' He adds that he subsequently had some other functions at the parliament and government. 'It was a way of contributing and I feel blessed to have had this opportunity.' He loved his job as minister. 'Talking about diplomacy, I had the

*...I had the chance to engage in cultural diplomacy.* **”**

chance to engage in cultural diplomacy. Happiness is only lived in the past tense... How happy I was then.' He also vividly recalls his first encounter with the ECA. 'About six years ago I was here in Luxembourg as head of a Romanian parliament delegation to the Organization for Security and Co-operation in Europe, the OSCE. We were walking to take the tram, and I saw the building I am in now. I was told it was the ECA building. And I said: "One day I would like to be here and work there." It was a premonition.'

Lucian Romaşcanu is well aware that his background is not a typical auditor's profile. 'I was very honoured to be proposed for this job, but initially I had my doubts, not coming from the auditing business. But looking into the ECA's structure, which includes politicians too, and its activities, I saw that I represent also things that can serve as an asset for the college.' Here he refers to his background in the private sector as well. 'We say that we audit public money. But initially this public money was private money... Companies and private persons paying taxes – they make this public money. I think it is a good signal to the private sector that one of theirs is also here, having knowledge on where and how money is earned.'

Another asset he identifies is his political career. 'In the private sector I managed building and executing budgets. Then I got experience in parliament, negotiating and approving eight Romanian national budgets.' He explains that as Member of the Senate he also took part in the negotiations of the Romanian recovery and resilience plan. 'And as minister proposing and executing the budget, giving account for its implementation.' A key moment for him was his hearing at the European Parliament for his nomination as ECA Member. 'The fact that I had the votes – 22 votes in favour, 2 against – of the Budgetary Control Committee, came as validation from our most important stakeholders, agreeing that I may be of added value to the ECA.'

*...it is a good signal to the private sector that one of theirs is also here [in the ECA]...*

## A friendly attitude makes a better world

Speaking of added value, he considers that it is of crucial importance that ECA Members be visible in their home countries and discuss the ECA's reports and its activities. 'We should be there and communicate about the way money is spent. The way member state authorities will act at the national level will impact the findings we will have as the ECA. We need to communicate to parliament, to the committees there, to media. When you do that, you should be attentive not to go into politics, going in favour or against political ideas. And we should also communicate to the citizens in their language. Talk to the people who give their money for public funding of the EU and show them that their money is well spent, that the ECA is looking into that.'

*Put things into perspective. Because also many things go well...*

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Lucian Romaşcanu finds it crucial to give the full picture of what we do. 'We should counteract those who just read the title of a report, stating that it was a 3.6% error rate, and only argue that the Union has a big problem. Put things into perspective. Because also many things go well: this construction, our Union, has brought many benefits to all of the countries involved, be it net payers or net recipients.'

For the new ECA Member it is important to talk about the ECA's mission as external auditor. 'If a citizen goes to a hospital and hears that some money was not spent in compliance with the rules, this hospital will still stay important for him or her – it does not make the patient not go there anymore. It is the same with the EU: we have a very important and beneficial construction, the EU, which works with money that is sometimes spent with irregularities. We are in the trust building industry. And the trust building industry includes providing criticism!' He adds he is not saying there's nothing wrong about the EU as an establishment. 'Errors, irregularities, impact, etc. need to be discussed and, with our help, be improved. But I believe that the EU, as a construction, is the best thing that has ever happened to this continent. We must take care of this

*...the EU, as a construction, is the best thing that has ever happened to this continent.*

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construction, which includes expressing criticism wherever there is room for improvement. This is for the good, not for the bad.'

He observes that among ECA Members, among staff, there are many differences. 'In background, education, career, etc. But each one of us, with those experiences, will make our institution work better.' When asked which aspect stands out and has helped him to get to where he is now, the new ECA Member explains: 'All my experiences, in the private and public sectors, whatever I learned, have made me the person that I am today and how I can contribute. However, I have been in several managerial positions and I think that the most important thing for the person and the result of his or her work, is to have a nice and enjoyable working environment. I will contribute to this, aside from the professional aspects. Contribute to an enjoyable working environment.' In this context he refers to the pleasant handover when he joined the ECA. 'Thanks to our President Tony Murphy, to our Secretary General, to all the Members, but also thanks to Viorel řtefan for his warm welcome and professional and friendly handover of the mandate as ECA Member.'

*...the most important thing for the person (...) is to have a nice and enjoyable working environment.*

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## Thinking out of the box, pushing boundaries

As a new ECA Member, Lucian Romařcanu still considers himself to be in the discovery phase. 'When I started in July 2025, I had some weeks of training, then some holidays – long enough to forget everything I had learned.' Then more seriously: 'There are the initial months when you are not yet in the box. While still out of the box you might say unexpected things, but also see with fresh eyes, come with creative ideas to improve things. In this period, I will share all my ideas, good ones or ones perhaps turning out less good. And see whether they can lead to change, to improvements.' For him this can relate to how the ECA works in chambers, to the auditing process, to the procedures for discussing reports and opinions. 'Very soon there will be moments to consider change because of the new multiannual financial framework... if it will stay as the European Commission has proposed.' For him this may mean changes in ECA structures, in focus, in procedures.

As to relations with other EU institutions, Lucian Romařcanu sees a delicate balance between the European Parliament, the Commission and the Council, who each play a role. 'Parliament is our main stakeholder, we give it the information it needs in order to influence the Commission on how to do things better.' However, he argues that, since the structure of power in Brussels is more complex than in most member states, also due to the cooperation between the European Parliament and the Council, the ECA's position needs particular attention. 'What we need, as an independent institution, is protection by the parliament in a way that when we give critical findings, our independence is granted, also through our budget. We need to be able to deliver all our reports in a way that reflects all the facts, showing what is happening. When doing so, it might make one or the other unhappy, we may upset someone.'

*What we need (...) is protection by the parliament in a way that when we give critical findings, our independence is granted, also through our budget.*

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For Lucian Romařcanu it is clear that one of the topics that will be audited more intensively is defence. 'We will have to see how the upcoming MFF will look. Coming from the east – of all EU countries, Romania has the longest frontier with Ukraine, about 600 km – we understand the need for defence expenditure. And how important it is to ensure that the money is really spent as intended.' He refers to funding from the US spent in Ukraine and the accusations of corruption, hence the importance of ensuring that EU money in the field of defence is well spent. 'These are substantial amounts of money, proposed is over €130 billion for defence over several years. Plus, the hundreds of billions that, on average, each NATO member should dedicate to defence on an annual basis. As an audit community, we need to encourage

and assess that this money is spent correctly and with the right destinations. It is not only the material, like tanks and ammunition. You talk about infrastructure, coordination, research, and so on.'

Lucian Romaşcanu has been assigned to the Audit Chamber for Regulation of markets and competitive economy. 'I am very happy for being in this audit chamber because with the situation we have now in the Union, the areas we cover are very important ones, several covered in the Draghi report.' He explains that he will be the rapporteur for the audit on European trade defence and also for a special report on the EU's Joint Undertakings. 'The latter I will do together with my colleague Hans Lindblad.'

When discussing possible audit topics this year, it struck Lucian Romaşcanu that topics can relate to various audit chambers at the same time. This gave him the idea of doing what he calls '360° reports' with input from various audit chambers. He gives the example of energy: 'Then you can look into the single market, the link to climate, the way it is affected by budget considerations, and so on. A good example is our report on the Recovery and Resilience Facility. Various topics on which we need to work together intensively.'

## An active player, but first and foremost, happy

*If you are in a good position, you should stay humble and not attribute it only to your own efforts.*

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The latter seems to align well with the more philosophical approach Lucian Romaşcanu tries to nurture. 'If you are in a good position, you should stay humble and not attribute it only to your own efforts. You had the luck that you could go to school, meet the right people, etc. This is not necessarily all thanks to yourself. With that in mind, we should be happier, with each other, with colleagues. Because it is temporary. Everything, except eternity, is temporary.' He underlines the importance of learning from each other and gives some experiences from communism as an example. 'Those experiences from colleagues from eastern European member states should be brought as a learning to each organisation, including the ECA. One should benefit from what happened elsewhere. And keep these experiences known. Because in this world in turmoil, people tend to have ideas – which do not necessarily work, as the past has shown.'

As rapporteur for ECA audits, as regards the audit teams, he sees his role primarily as that of an enabler. 'If you go into, for example, a performance audit, as the reporting Member coordinating the effort, you have to have an idea of where to go, what to look for, what pitfalls to make your team aware of. And then come to conclusions, which you don't know from the beginning.' For him, it is clear that the auditors will carry out the day to day work. 'But as Member you should know what is happening, so I regularly organise briefings.'

*...I will do my best to deliver (...) and be proud of the work I have done.*

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Finally, when discussing for what the new ECA Member wants to be held accountable when his mandate at the ECA ends, he does not have to think very long. 'I would identify three layers here. First one is the strictly professional one: I will do my best to deliver what is expected from me, the reports I was assigned to, and be proud of the work I have done. Second, I want to be an active player in the changes that will occur at the ECA, whenever they will come. I want to be remembered as one of the persons who contributed to improving the activities of the ECA.' And finally, as the third layer, he says with a smile: 'At the personal level, at the end of these six years, I want to be able to say: "I did the right thing... and I enjoyed it".'

# What makes the ECA's annual report a news story

By Matthias Beermann, Directorate of the Presidency



Tony Murphy, ECA President.

**Undeniably, the ECA's annual report provides important information, since it is essentially a 'health check' of the EU's finances. But how much news coverage does it actually attract? This depends not only on its content, but also on competing news at the time of publication. The ECA published its 2024 annual report on 9 October 2025 and presented it the same day to the European Parliament's Budgetary Control Committee (CONT). ECA spokesperson and senior editorial and media advisor Matthias Beermann analyses its take-up.**

## Impact of competing news

Every year, usually in early October, the ECA reveals its 'health check' of the EU's finances. The publication of the ECA's annual report - with its 500+ pages not exactly a quick read over coffee - has become a fixed date in many journalists' diaries. However, as important and interesting as it may be, the newly published report is just one piece of the puzzle journalists call the 'news situation'.

Journalists understand 'news situation' to mean all potentially newsworthy events, developments, topics and dates within a certain time period. To assess the situation, they systematically focus on a number of key questions,

such as: What events have just taken place or are currently taking place? Which topics are of greatest interest to the audience or have the most far-reaching consequences? Which planned press conferences, summits, court hearings, parliamentary sessions or report publications are coming up and need to be planned for? How could a news event feed into existing stories? And not forgetting: What are competing media outlets reporting on or planning to report on?

Every morning, editorial teams therefore decide – on the basis of the news situation – which stories to select, how

to prioritise them (front page lead story/ smaller article inside) and what form they should take (text/ video). This assessment is based on a snapshot of a situation that is constantly changing, requiring continuous monitoring and evaluation. Editors need to solve the complicated equation that will guide their planning, balancing scarce

human resources with editorial space and their final choice of topic. Of course, this choice also depends on whether reporters' questions result in clear and concise answers that will satisfy their editors and ultimately their audience.

## No lack of hot topics in October 2025

The publication of the ECA's annual report and particularly the corresponding press briefings have to compete with numerous other news events. When this year's report was published on 9 October, Brussels based journalists had at least a dozen larger events scheduled for the week, not counting the European Commission's daily briefings. Added to this were countless bilateral meetings, technical briefings by experts, and press conferences by NGOs or national delegations, many linked to that week's European Parliament plenary session. And we can assume that reporters based elsewhere were equally busy digging through their national news agendas.

One thing is certain: no journalist could complain about a lack of hot topics. High on the EU and international agenda were the situations in Gaza and Ukraine, and

in particular intense discussions about recent airspace violations by Russia over Poland, Romania and Estonia. It was reported that NATO members were discussing the possibility of relaxing the rules to enable fighter pilots to shoot down Russian aircraft in the event of further violations. Brussels was buzzing with rumours and speculation, and reporters were sent out to investigate and dig up a story. So how important is a report on the state of the EU's finances in light of all this competing news? How interesting will editors consider the latest ECA update on spending errors and rising debt? That will remain a secret of the newsrooms, but what can be said is that despite the extremely busy news agenda, many journalists once again made the latest annual report a priority.

## Good turnout, focus on debt burden

In total, 115 journalists attended the ECA's main press briefing and the additional twelve briefings specifically organised for national press – a new record. Highly influential media outlets such as Politico reported on the publication, as did many prominent national newspapers, radio stations and TV channels. In terms of quantity, the number of news items fell short of last year's figure, while the focus of the reporting also shifted slightly. The error rate in EU spending, which according to the auditors had improved for the first time in years, remained the headline of most items. However, many media outlets chose to focus on the risk of rising debt, also highlighted in the annual report. 'European Court of Auditors warns of EU's increasing debts' was the Irish Sun's headline, while other media organisations combined the two most prominent messages from the report, for instance the Frankfurter

Allgemeine Zeitung (Germany), which ran the headline 'EU Court of Auditors warns of rising debt and errors'. The most 'popular' title, however, was taken directly from the ECA press release, disseminated by the news agency Reuters and picked up by many media outlets: 'Errors in EU spending persist while debt burden increases'.

Media in 45 different countries featured the annual report, with EU - based outlets accounting for 85% of total coverage. And this year again, it was noticeable that reporting was particularly extensive in EU countries such as Germany, Italy, Austria and the Netherlands that have something in common - they are all net contributors to the EU budget. Honi soit qui mal y pense...

# Delegation from Ukrainian Parliament and Accounting Chamber of Ukraine visits European Court of Auditors

By Olesia Tsymborska, Directorate of the Presidency



From left to right: Vasyl Nevidomyi, Acting Secretary-General of the Accounting Chamber of Ukraine ACU; Kyrylo Klymenko, ACU Board Member; Olha Pishchanska, ACU President; Tony Murphy, ECA President; Bettina Jakobsen, ECA Member; Mihails Kozlovs, ECA Member; Marek Opiola, ECA Member; Keit Pentus-Rosimannus, ECA Member responsible for Interinstitutional Relations.

**Following Russia's invasion of Ukraine in February 2022, the ECA has increased its assistance to Ukrainian institutions, and particularly to the Accounting Chamber of Ukraine (ACU). This assistance ranges from giving presentations and training to seconding national experts from the ACU to the ECA. Olesia Tsymborska is one of these seconded national experts, working at the ECA on institutional liaison matters. Below she provides insights on various meetings with Ukrainian officials or meetings concerning Ukraine, all of which took place around mid-October 2025.**

## ECA takes part in Young Political Leaders Programme for Ukraine

On 15 October 2025 in Brussels, Keit Pentus-Rosimannus, the ECA Member responsible for interinstitutional relations, met and gave presentation to Ukrainian change-makers - Members of the Ukrainian Parliament and members of democratic parties not currently represented in parliament - at the European Parliament's Young Political Leaders (YPL) Programme for Ukraine.

The event focused on the EU's legal and budgetary systems and their interlinkages. Keit Pentus-Rosimannus gave a presentation on the ECA's role in improving transparency, accountability and financial management in relation to EU funding.

## Ukraine Facility audit board visits ECA

Also on 15 October, the ECA welcomed at its premises representatives from the Ukraine Facility audit board for a first meeting. The aim was to discuss each other's work, share perspectives on audit work concerning Ukraine, and strengthen cooperation.

The main task of the audit board, established in 2024, is to ensure the transparent and effective use of up to €50 billion in EU financial assistance to Ukraine between 2024 and 2027. The audit board evaluates Ukraine's management and control of funds to strengthen the country's financial oversight and governance structures. Appointed by the European Commission, the board has three members: Professor Marek Belka (chair), a former

President of the National Bank of Poland; Gijs De Vries (deputy chair), former ECA Member and former Member of the Netherlands Court of Audit; and Gunnar Wälzholz (member), a specialist in financial management.

The delegation was welcomed by ECA Members Bettina Jakobsen (Dean), Nikolaos Milionis, George Marius Hyzler and Laima Liucija Andrikienė, Members of the audit chamber for External action, security and justice, together with Director Bertrand Albugues and his assistant, Jiri Lang. Discussions covered the ECA's role and audit areas, recent publications concerning Ukraine, and upcoming reports planned for 2026 and beyond.

## Cooperation with the European Parliament and its Committee on Budgetary Control

On Friday 17 October, the ECA hosted a joint Ukrainian delegation comprising:

- Volodymyr Tsabal, Iurii Kuzbyt, Pavlo Frolov and Roman Kaptielov, Members of Parliament, and Andrii Vatulov, Head of the Secretariat of the Ukrainian Committee on Budget;
- representatives from the ACU – Olha Pishchanska (President), Kyrylo Klymenko, (Member of the ACU Board), Vasyl Nevidomyi (Acting Secretary-General) and senior ACU staff; and
- representatives from the EU Public Finance Management Support Programme for Ukraine (EU4PFM) and the Central Project Management Agency (CPMA).

From the ECA, there were presentations by ECA President Tony Murphy and ECA Members Bettina Jakobsen, Mihails Kozlovs, Ivana Maletić, Marek Opiola and Keit Pentus-Rosimannus. They covered the ECA's role and function within the EU, the forthcoming 2026-2030 ECA strategy; the development and implementation of its work programmes, audit methodology, planning and quality control; the ECA's audit work relating to Ukraine; our upcoming audit on trade sanctions; and our cooperation

with the European Parliament and its Committee on Budgetary Control (CONT). The aim of the exchange was to support Ukraine in strengthening its external audit and oversight capabilities with a view to potential EU accession.

In addition, the ACU staff, together with the representatives from EU4PFM and CPMA, had a detailed discussion with Niels-Erik Brokopp, principal manager and ECA liaison officer, following his presentation on governance and methodology, audit progress monitoring and quality control mechanisms at the ECA, as well as on the ECA's institutional relations and cooperation, at various stages, with the European Parliament (including CONT) and other stakeholders.

The visit followed the delegation's participation in a joint meeting of the European Parliament's CONT and BUDG committees in Brussels on 16 October, where it was hosted by Niclas Herbst, CONT Chair. The delegation attended the presentation of ECA special report 18/2025: 'EU budget flexibility – Allowed unforeseen challenges to be addressed, but the framework is too complex', delivered by reporting ECA Member Jorg Kristijan Petrovič.

# Transparency as a foundation of trust: insights from the ECA's Conference on Transparency

By Mirko Iaconisi, private office of Jorg Kristijan Petrovič, ECA Member



On 20 October 2025, the ECA hosted a high-level Conference on Transparency, bringing together key stakeholders from EU institutions, civil society, academia, and interest groups. The event focused on two recent ECA special reports – one on the transparency of EU funding to NGOs, the other on the EU Transparency Register – and explored the vital role of transparency and accountability in strengthening public scrutiny and trust in the EU. Read on for an overview of the main discussion topics by Mirko Iaconisi, attaché in the private office of ECA Member Jorg Kristijan Petrovič.

## Setting the scene

The conference was opened by ECA President Tony Murphy, who emphasised that transparency is not a technicality but a fundamental pillar of legitimate and effective governance. He underlined that in the context of negotiations for the next Multiannual Financial Framework (MFF), the EU must avoid previous accountability gaps and ensure that transparency is

embedded throughout the policy cycle. In a recorded message, European Parliament President Roberta Metsola echoed this call. 'Without trust, there is no Union,' she said, stressing that integrity and openness are essential in order to maintain citizens' confidence in the EU's democratic institutions.

## Session 1: Transparency in EU funding to NGOs

The first panel (see **Box 1**) examined the transparency of EU funding granted to non-governmental organisations (NGOs). The session drew on findings from the ECA's [special report 11/2025](#), which highlighted progress in recent reforms while noting persistent weaknesses in the availability and reliability of information on funding recipients. Reporting Member Laima Andrikienė chaired the panel.

The debate underlined that, while the European Commission has made progress – including the adoption of an EU-wide definition of NGOs in 2024 and planned updates to the Financial Transparency System, much remains to be done to ensure consistent, accessible data across all management modes. Participants agreed that citizens have the right to know who receives EU funds, for what purpose and under what conditions. Transparency, they noted, is a shared responsibility – but ultimately one that lies with the institutions managing the EU budget.

At the same time, civil society representatives cautioned against placing an unnecessary administrative burden on smaller organisations. The panel emphasised that better data centralisation, more timely publication of information, and clear verification of compliance with EU values could help reinforce accountability and trust.



**Box 1 - Panel members**  
**Session 1: Transparency of EU funding granted to NGOs**

Chaired by Laima Andrikienė, ECA Member

Niclas Herbst, Chair, Budgetary Control Committee (CONT), European Parliament

Gabriella Civico, President, Civil Society Europe

Beatriz Sanz Redrado, Deputy Director-General, DG BUDG, European Commission

Professor Jurgita Paužaitė-Kulvinskienė, Vice-Dean, Faculty of Law, Vilnius University

## Session 2: Transparency of lobbying and the EU Transparency Register

The second panel (see **Box 2**) focused on transparency in lobbying and the functioning of the EU Transparency Register. The ECA's special report 05/2024 found that while the Register has become a cornerstone of open policymaking, loopholes still allow certain lobbying activities to take place outside its scope. The panel was chaired by reporting Member Jorg Kristijan Petrovič.

The discussion confirmed broad support for recent reforms, such as the extension of the Commission's rule of only meeting registered lobbyists to all management levels, and the Parliament's decision to apply similar standards. These measures, together with ongoing efforts to improve data verification processes, were recognised as important steps towards a more comprehensive transparency framework.

Speakers from the EU institutions, civil society, and lobbying associations discussed the need for stronger enforcement, clearer ethical safeguards, and closer coordination and harmonisation among institutions. There was consensus on the value of connecting different transparency tools – notably linking funding databases with the EU Transparency Register – to give citizens a complete picture of both funding flows and policy influence. The debate also acknowledged the delicate balance between transparency, administrative burden and privacy, recalling that openness must always

respect legitimate confidentiality and data protection requirements. Participants agreed that transparency and integrity are mutually reinforcing and that a consistent, enforceable framework across the institutions remains the ultimate goal.



**Box 2 - Panel members**  
**Session 2: Lobbying of EU policymakers and the EU Transparency Register**

Chaired by Jorg Kristijan Petrovič, ECA Member

Raphaël Kerguено, Senior Policy Officer, Transparency International EU

Fernando Florindo Gijón, Secretariat of the Transparency Register, Council of the EU

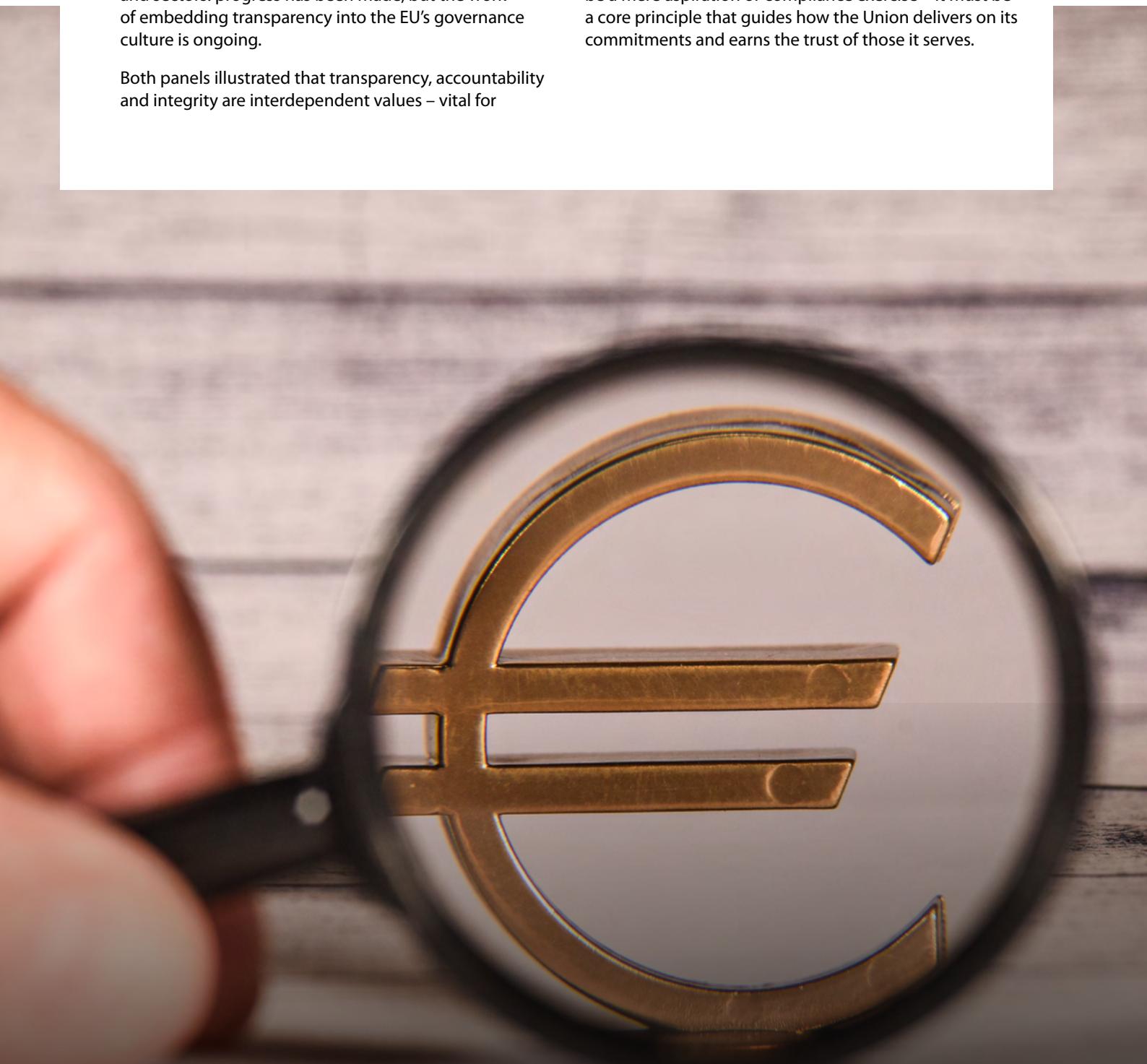
Marco Baldoli, Vice-President, Society of European Affairs Professionals

## Reflections: trust through transparency

Jan Gregor, Dean of the ECA Audit Chamber on Financing and administering the Union, wrapped up the discussions, reflecting that transparency is not a goal in itself, but an enabler of trust. He noted that the day's exchanges showed strong alignment across institutions and sectors: progress has been made, but the work of embedding transparency into the EU's governance culture is ongoing.

Both panels illustrated that transparency, accountability and integrity are interdependent values – vital for

ensuring that public funds are spent responsibly, policymaking remains open to legitimate scrutiny, and citizens continue to place their trust in the EU. As the Union prepares for its next long-term budget, the conference has sent a clear message: transparency cannot be a mere aspiration or compliance exercise – it must be a core principle that guides how the Union delivers on its commitments and earns the trust of those it serves.





# ECA publications from June to December 2025

Audit reports, reviews and opinions

## Activity report

Published on 01/07/2025

## 2024 - Activity report of the authorising officer by delegation (pursuant to Article 74(9) of the Financial Regulation)



[See our special report](#)

## Special report 17/2025

Published on 16/09/2025

## EU aid for trade to least developed countries - Needs are being tackled, but EU funding is not on track to meet 2030 target



Developing countries and the world's least developed countries in particular face significant challenges that hamper their access to regional and global trade. Assistance through aid for trade aims to help them build trade capacity and infrastructure. In 2017, the EU updated its own aid for trade strategy, with increased focus on least developed countries. We examined whether the Commission properly targeted, implemented and monitored EU aid for trade to these countries. We found that while this support is generally being delivered in line with the needs, it is not on track to meet the strategy's 2030 funding target. We make five recommendations aimed at improving the Commission's management of EU aid for trade to least developed countries.

[See our special report](#)



# ECA publications from June to December 2025

Audit reports, reviews and opinions

## Special report 19/2025

Published on 16/09/2025

### Critical shortages of medicines – EU measures were of added value, but structural problems remain



Critical shortages of medicines have become a frequent threat to public health throughout the EU. We assessed EU measures to ensure medicine availability. We conclude that there is not yet an effective framework for critical shortages of medicines. While the European Medicines Agency has provided valuable support to member states, and the Commission has taken initial steps by proposing legislative changes, efforts to tackle the underlying causes of these shortages remain at an early stage. In addition, fragmentation within the single market continues to hinder the availability of medicines across the EU. We recommend that the Commission further improve the system to address critical shortages, launch coordinated action to address root causes and improve the functioning of the single market for medicines.

[See our special report](#)

## Review 05/2025

Published on 03/09/2025

### Smart specialisation strategies in the EU



Smart specialisation is an EU policy approach, fully implemented from the 2014-2020 programming period onwards, wherein regions identify investment priorities and focus their EU regional innovation spending on them. The goal is to maximise competitive advantage and to build on the regions' own economic strengths. This review aims to inform the reader on what smart specialisation is and how it is implemented in the EU. We observed that while most regions find smart specialisation useful, gaps remain when it comes to ensuring priorities are meaningful for the regions themselves, and for the EU's wider strategic goals. Regions would benefit from more support, there is potential to improve monitoring and evaluation, and more could be done to stimulate the value of interregional co-operation.

[See our special report](#)



# ECA publications from June to December 2025

Audit reports, reviews and opinions

## Annual report

Published on 09/10/2025



## Annual reports concerning the 2024 financial year

Every year, the ECA audits the revenue and expenditure of the EU budget and delivers its opinion on the extent to which the annual accounts are reliable, and income and spending comply with the relevant rules and regulations. Our auditors test samples of transactions to provide statistically-based estimates of the extent to which revenue and the various spending areas are affected by error (the 'error rate').

In 2024, EU payments totalled €247 billion: €191.1 billion in spending from the EU budget, and a further €55.9 billion from the Recovery and Resilience Facility (RRF). The ECA will provide two separate opinions on the legality and regularity of expenditure: one on the EU budget and one on the RRF.

Every year, the European Parliament and the Council agree on the EU budget as part of a multiannual financial framework (currently the 2021-2027 MFF). NextGenerationEU (NGEU), a temporary recovery package of additional funds financed by issuing bonds, supplements the EU budget. The RRF accounts for about 90% of NGEU funding.

It is primarily the responsibility of the European Commission, together with the other EU institutions and bodies, to ensure that the budget is spent properly. However, member states share responsibility for around two thirds of expenditure, mainly in the areas of natural resources and cohesion.

[See our annual report](#)

## Audit in brief

Published on 09/10/2025



## 2024 – EU audit in brief

The '2024 EU audit in brief' provides an overview of our 2024 annual reports on the EU's general budget and the European Development Fund, in which we present our statement of assurance as to the reliability of the accounts and the legality and regularity of the transactions underlying them. We also covered the Recovery and Resilience Facility and provide a separate opinion on the legality and regularity of its expenditure. The EU audit in brief also outlines our key findings regarding revenue and the main areas of spending under the EU budget and the European Development Fund, as well as findings relating to budgetary and financial management.

The full texts of the reports may be found at [eca.europa.eu](http://eca.europa.eu).

The European Court of Auditors (ECA) is the independent external auditor of the EU. We warn of risks, provide assurance, highlight shortcomings and good practice, and offer guidance to EU policymakers and legislators on improving the management of EU policies and programmes. Through our work we ensure that EU citizens know how their money is being spent.

[See our audit in brief](#)



# ECA publications from June to December 2025

Audit reports, reviews and opinions

## Special report 21/2025

Published on 27/10/2025



### RRF support for an improved business environment

**– Only partially addresses country-specific recommendations, but some first results contributed to progress in their implementation**

The €650 billion Recovery and Resilience Facility (RRF) was established in February 2021 in response to the COVID-19 pandemic. We audited whether RRF measures, in particular reforms, address business environment challenges identified in the country-specific recommendations (CSRs) and achieved the expected results. We found that the RRF partly addresses the business environment challenges with some structural issues remaining unaddressed. While the completed measures have achieved the agreed milestones and targets, so far only one third of them show significant results and contributed to the progress in CSR implementation. We recommend that key challenges are sufficiently covered, a comprehensive framework is put in place to assess results and the contribution of the RRF measures to CSRs, and policy areas are clearly defined and consistently applied across different EU instruments and the European Semester.

[See our special report](#)

## Annual Report

Published on 30/10/2025



### SmartAnnual report on EU agencies for the 2024 financial year

This report presents the results of our audit of the agencies for the 2024 financial year.

[See our annual report](#)



# ECA publications from June to December 2025

Audit reports, reviews and opinions

## Annual Report

Published on 31/10/2025



## Annual report on EU joint undertakings for the 2024 financial year

This report presents the results of our audit of the JUs for the 2024 financial year.

[See our annual report](#)

## Work Programme

Published on 11/11/2025



## 2026+ Work Programme

The new work programme of the European Court of Auditors (ECA) includes 73 audit reports and reviews for the next two years. The EU auditors also plan to produce at least 10 opinions on the European Commission's proposals for the EU budget for 2028-2034. They will continue to offer important analysis, addressing key issues for the EU's future while serving citizens, institutional stakeholders, and partners at both EU and member state levels.

[See our work programme](#)



# ECA publications from June to December 2025

Audit reports, reviews and opinions

## Special report 20/2025

Published on 19/11/2025



### Special report 20/2025: Commission support to fight hunger in sub-Saharan Africa – Commendable but insufficient focus on sustainability and impact

We assessed the Commission's development efforts to combat food insecurity and malnutrition in sub-Saharan Africa. Overall, the Commission has made valuable efforts, but its actions have not always targeted those with the greatest needs and lack sufficient impact and sustainability. The absence of clear criteria for prioritising regions or target groups, coupled with needs exceeding available funds, has constrained the overall impact of interventions. Although coordination has been satisfactory, weaknesses in project design, monitoring, and challenges in addressing root causes of food insecurity have negatively affected the expected sustainability and impact. While EU actions have been aligned with partner countries' policies, and the Commission's actions have contributed to progress, significant challenges persist in reducing malnutrition and food insecurity. We put forward recommendations for future action.

[See our special report](#)

## Special Report 22/2025

Published on 20/11/2025



### Smart specialisation strategies in the EU

Financial corrections by the Commission that definitively reduce EU funding to member states are one of the tools to protect the EU budget from irregular expenditure in Cohesion policy. They were expected to become the standard reaction to serious deficiencies. It took over 10 years for the Commission to adopt the first such correction (September 2025), despite each year of the 2014-2020 period being materially affected by error. We found that the legal framework was complex, and not significantly improved for the 2021-2027 period. There were also shortcomings in its application by the Commission. Moreover, the reporting was insufficiently reliable, including on estimated future corrections that overstate Commission's capacity to identify and correct errors. We recommend that the Commission applies corrections in line with the legal framework, ensures timely implementation, and improves transparency and accuracy of reporting.

[See our special report](#)



# ECA publications from June to December 2025

Audit reports, reviews and opinions

## Report

Published on 25/11/2025

### Report on the accounts of the European Schools for the 2024 financial year

This report presents the results of our review of the European Schools' consolidated accounts for the 2024 financial year.

[See our report](#)



## Special report 23/2025

Published on 26/11/2025

### Municipal waste management – Despite gradual improvement, challenges remain for the EU's progress towards circularity



The aim of EU waste policy is to transition to a circular economy. For municipal waste we concluded that the EU strengthened legal requirements. It set targets for preparing for re-use and recycling and for limiting landfill. However, many member states struggle with financial constraints, planning weaknesses and problem in implementing their waste management plans, including building new infrastructure. Separate waste collection mostly remains at a very low level, and the waste tariffs that citizens are charged do not cover all waste management costs. We recommend that the Commission should address challenges in the recycling market (making circular economy practices more viable), make better use of monitoring and enforcement tools, and assess the feasibility of harmonising landfill and incineration taxes.

[See our special report](#)



# ECA publications from June to December 2025

Audit reports, reviews and opinions

## Special report 24/2025

Published on 03/12/2025

### Financial instruments in Cohesion policy – A revolving use of funds materialised partially



One of the advantages of financial instruments in cohesion policy over grants is that reflows can be used to support additional final recipients, leading to more efficient use of public financing. Our work concluded that only a limited reuse of reflows materialises during eligibility periods, partly due to acceptable reasons, such as the long-term nature of investments. After the eligibility period, reflows are generally reused for cohesion policy purposes, but with limitations. We found the legal framework on the reuse obligation insufficiently clear and unambiguous and found a lack of effective oversight by the Commission, leading to varying practices among member states' managing authorities. We recommend that the Commission and member states aim at maximising the use of reflows for a more efficient use of EU finances.

[See our special report](#)

## Special Report 25/2025

Published on 11/12/2025

### LIFE strategic projects – Bridge the gap between strategy and implementation, but impact not entirely clear



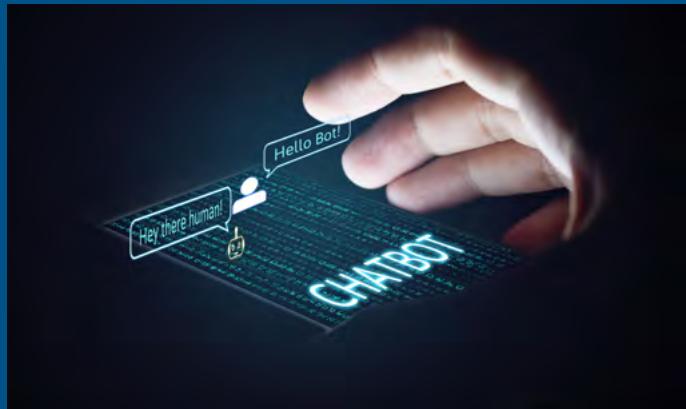
The LIFE programme was set up to address various environmental and climate challenges facing the EU, including air and water pollution, biodiversity loss, and climate change. LIFE strategic projects support member states in implementing strategies to face up to these challenges. Our audit assessed whether these projects were designed to meet their objectives, and how this happened in practice. We found that LIFE strategic projects encourage cooperation and attract extra funding, but that there are shortcomings in prioritising needs, monitoring and sharing results. Furthermore, the impact and sustainability of project outcomes are often unclear. We recommend clearer criteria for choosing projects, better guidance, more sharing of good practices, and stronger plans to ensure results last beyond the funding period.

[See our special report](#)

## The EU's digital transition and artificial intelligence

Take one look at the world's leading job boards and you'll instantly see which industry is booming today: artificial intelligence (AI) – from deep learning or prompt engineers to data annotators and chatbot trainers. A new and innovative ecosystem has emerged and is expanding at a speed that makes the expansion of our galaxy look like it is happening at a snail's pace. The new kids on the tech-giant

block are launching new applications and features with quirky acronyms quicker than anyone could memorise them. Companies that emerged from nowhere are now valued at over 500 billion, most often in US dollars. And they're just getting started.



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Digitalisation and AI are changing our lives at breakneck speed. Examples of – geopolitical – benefits and implications are significant and numerous: advanced health research, the AI arms race, dependency on uncooperative players with the weaponisation of chip production, and the race for energy and natural resources, to name but a few.

Policymakers and regulators are scrambling to catch up. The EU finds itself in the position of underdog, in terms of European tech companies engaging with AI technology and creating computing capacity and AI tools; or in terms of trying to regulate the seemingly unlimited might and influence of unruly tech molochs. And as consumers, governments are competing with fancy startups for the best minds in the business, while citizens expect all levels of administration to offer a seamless, 5-star digital client experience that is also efficient, effective and economical.

Public auditors share this predicament, both as users of this technology and when assessing it. Technological developments pose a plethora of new challenges for auditors: high - powered computing, governments deploying AI, increasingly complex and comprehensive accounting systems, AI - doctored evidence, ethical considerations, and the effects of EU regulation such as the 2022 Digital Services Act and the 2024 AI Act.

Our next ECA Journal will explore the world of digitalisation and AI. How does the EU serve as an enabler in the area of AI? For example, by supporting high-tech AI development through research support, financial support and regulatory measures? Or helping EU citizens and businesses to use AI responsibly? What about protecting against arbitrariness, discrimination, or violation of copyright or privacy? Another question is: how does government, including at EU level, employ AI in carrying out its tasks? For auditors themselves, the challenges also include making the best use of AI to maximise coverage of audit populations, detect anomalies, analyse massive amounts of data quickly and make audit processes more effective and efficient.

We will feature articles on AI developments and what the EU and its member states are doing to propel European AI initiatives to a globally competitive level. We will dive into the EU's digital framework and take a closer look at: citizens' perspectives and concerns on AI; expert views on digital and AI tools available to support audit, and experiences of using them; knowledge and skills challenges for auditors; and much more besides. In short, our next edition will cover the many opportunities and challenges that 'digital' and AI may have in store.

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