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THE EU SECURITY POLICY AND DEFENCE READINESS: STATE AND PROSPECTS

БЕЗПЕКОВА ПОЛІТИКА ТА ОБОРОННА ГОТОВНІСТЬ ЄС: СТАН ТА ПЕРСПЕКТИВИ

Hryhorii Perepelytsia
Doctor of Political Science, Professor of the Department of International Relations and Foreign Policy, Educational and Scientific Institute of International Relations, Taras Shevchenko National University of Kyiv,
e-mail: pgrigoriy@ukr.net
ORCID ID: https://orcid.org/0000-0003-4000-1334
Oleksandr Maliutin
Master degree in "International Relations, Social Communications and Regional Studies", Educational and Scientific Institute of International Relations, Taras Shevchenko National University of Kyiv,
e-mail: sashamaliutin.812@gmail.com

Григорій Перепелиця
Доктор політичних наук, професор, професор кафедри міжнародних відносин та зовнішньої політики Навчально-наукового інституту міжнародних відносин Київського національного університету імені Тараса Шевченка,
e-mail: pgrigoriy@ukr.net
ORCID ID: https://orcid.org/0000-0003-4000-1334
Олександр Малютін
Магістр за спеціальністю "Міжнародні відносини, суспільні комунікації та регіональні студії", Навчально-науковий інститут міжнародних відносин Київського національного університету імені Тараса Шевченка,
e-mail: sashamaliutin.812@gmail.com

Abstract. *The article examines the transformation of the European Union's security policy in the context of the emergence of new challenges, the most significant in several decades. It emphasises that, since 2022, the leadership of the European Union and the majority of its Member States have been able to fundamentally revise their internal and external policies, identifying the strengthening of defence capabilities as one of the key priorities. The article analyses the key EU legal and policy documents adopted over the past five years with the aim of pursuing a coordinated defence policy within the EU to enhance the Union's defence readiness, primarily in the short- and medium-term perspective.*
Keywords: *defence budget, defence procurement, security initiatives, defence production, joint projects.*

Анотація. *У статті досліджується трансформація політики безпеки ЄС у контексті появи нових викликів, найбільших за останні декілька десятиліть. Наголошується, що, починаючи з 2022 року, керівництво Євросоюзу та більшості держав-членів змогли кардинально переглянути свою внутрішню та зовнішню політику, визначивши посилення оборонних спроможностей як один з ключових пріоритетів. Проаналізовано ключові нормативно-правові документи ЄС, прийняті за останні 5 років з метою проведення узгодженої оборонної політики всередині ЄС для посилення обороноздатності союзу, у першу чергу, у коротко- та середньостроковій перспективі.*
Ключові слова: *оборонний бюджет, оборонні закупівлі, безпекові ініціативи, оборонне виробництво, спільні проєкти.*

Introduction. Since the beginning of the Cold War and the establishment of NATO, ensuring security in Europe has been one of the key directions of United States foreign policy, regardless of which of the two political parties controlled the White House. As a result, for decades European countries were able to build "welfare states", investing primarily in social programmes and policies and increasing the standard of living of their populations. Even the military aggressions of the Russian Federation against Georgia in 2008 and against Ukraine in 2014 did not have a significant impact on the EU's security policy.

Over the past few years, however, the situation has changed fundamentally. Russia's full-scale aggression against Ukraine in February 2022 became a clear signal for European countries that the period of relative calm, in which climate change and migration were considered the key challenges, had come to an end. The arrival in the White House of President D. Trump's administration, with its explicit position on reducing the role of the United States in ensuring Europe's security, further accelerated the emergence of a shared understanding among EU Member States of the need to rethink approaches to their own security.

Since 2022, the European Union has continued to make significant efforts to strengthen its own security and defence capabilities. In particular, a number of strategic documents have been prepared and published (the Strategic Compass, the European Defence Industrial Strategy, the White Paper on European Defence, etc.). Also, large-scale investments in domestic defence production have been launched, and the regulatory framework for cooperation in defence procurement has been further developed.

At the same time, as of the end of 2025, the European Union remains objectively unprepared for a potential large-scale military aggression. In its strategic documents and public communications, the EU has declared its intention to achieve full defence readiness by 2030. However, the growing number and increasing audacity of provocations by the Kremlin in 2025 indicate that such risks may materialise much earlier.

Against this background, it appears both timely and necessary to analyse the current state and the progress achieved in the EU's security and defence policy in the context of a rapidly deteriorating security environment.

Literature review. Given the relevance of the topic, the evolution of the European Union's security and defence policy, particularly in the context of Russia's full-scale aggression against Ukraine and the increasing threat of aggression against the European Union itself, has become a frequent subject of academic research by both Ukrainian and foreign scholars.

In recent years, Ukrainian researchers have analysed this issue both within a narrower institutional dimension (Moroz (2024), Zavada and Sino (2022), Dmytrenko, Dmytrenko, and Zhabinets (2025)) and in a broader context of the European Union's comprehensive actions and decisions as an institution, as well as the policies pursued by individual Member States (Shyshkin, Baran, and Berezovska-Chmil (2024), Kobets and Holubiak (2023)). The issue has also been addressed in the works of Zaitseva-Kalaur, Parashchuk, Didushyn, and Martynov.

Comprehensive changes in European defence policy in recent years have also been widely examined in foreign academic literature, predominantly by European scholars. In particular, a number of studies focus on the evolution of EU defence integration projects and the tectonic shifts in this field over the past three years (Katarina Engberg (2025), Luigi Scazzieri (2025)), as well as propose and analyse various models for further deepening defence integration within the European Union (CEPS (2025)). A significant number of publications in European academic literature are likewise devoted to changes in the EU's defence procurement policy (Tom Waldwyn (2025), Adam Vittek (2025)) and developments in the EU defence industrial domain (Juan Mejino-López, Guntram B. Wolff (2024), Jan Joel Andersson and Marina Britz (2025), Sophia Besch (2025)).

At the same time, in light of the dynamic changes in the regional security environment and the conceptual decisions adopted by the European Union and individual Member States already in 2025, it appears both timely and necessary to analyse the current state of the EU's security and defence capabilities, as well as the further directions of its defence policy.

Theoretical framework and the methodology. The theoretical foundation of the study is primarily based on the neorealist approach, which emphasises the growing role of security considerations, the balance of power, and perceived threats in shaping the policies of states and supranational entities. It is through the prism of neorealism that the transformation of the European Union's strategic priorities is analysed in the context of a deteriorating security environment.

At the same time, elements of neoliberal institutionalism are partially employed to explain the mechanisms of institutional coordination and joint defence initiatives within the European Union. This approach makes it possible to elucidate the role of supranational institutions in reducing transaction costs and facilitating cooperation among EU Member States in the security and defence domain.

The study employs a combination of general scientific and specialised research methods. In particular, methods of analysis and synthesis are applied to examine strategic, legal, regulatory, and programme documents of the European Union in the field of security and defence. The comparative method is used to assess the dynamics of defence expenditures and the approaches adopted by EU Member States in the development of their defence policies.

The historical and chronological method allows for tracing the evolution of the EU's security and defence policy in the periods before and after 2022. Statistical analysis is applied to systematise and generalise data on defence budgets, financial instruments, and investment volumes. In addition, a systems approach ensures a comprehensive understanding of the interrelationship between strategic decisions, financial mechanisms, and institutional initiatives of the European Union in the context of shaping its overall defence readiness.

Main results of the research. For decades, following the failed attempt to establish a European Defence Community in 1954, the issue of European security was regarded as an exclusive responsibility of NATO. Defence integration among European states within the framework of what is now the European Union began only in the second half of the 1990s, with the launch of the European Security and Defence Policy (1999) and, pursuant to the Treaty of Lisbon (2009), the establishment of the Common Security and Defence Policy (CSDP) *(Kobets & Holubiak, 2023)*. The same Treaty introduced Permanent Structured Cooperation (PESCO) as a mechanism within the EU's security and defence policy aimed at ensuring closer voluntary cooperation among EU Member States in the field of defence *(European Union, n.d.; Permanent Structured Cooperation, n.d.)*.

At the same time, for a considerable period, there was little practical deepening of cooperation in the field of security and defence within the European Union. Calls by French President Emmanuel Macron to enhance the EU's "strategic autonomy" failed to gain broad support among the majority of Member States. Even projects under the PESCO framework were launched only in 2017, eight years after the formal announcement of the initiative.

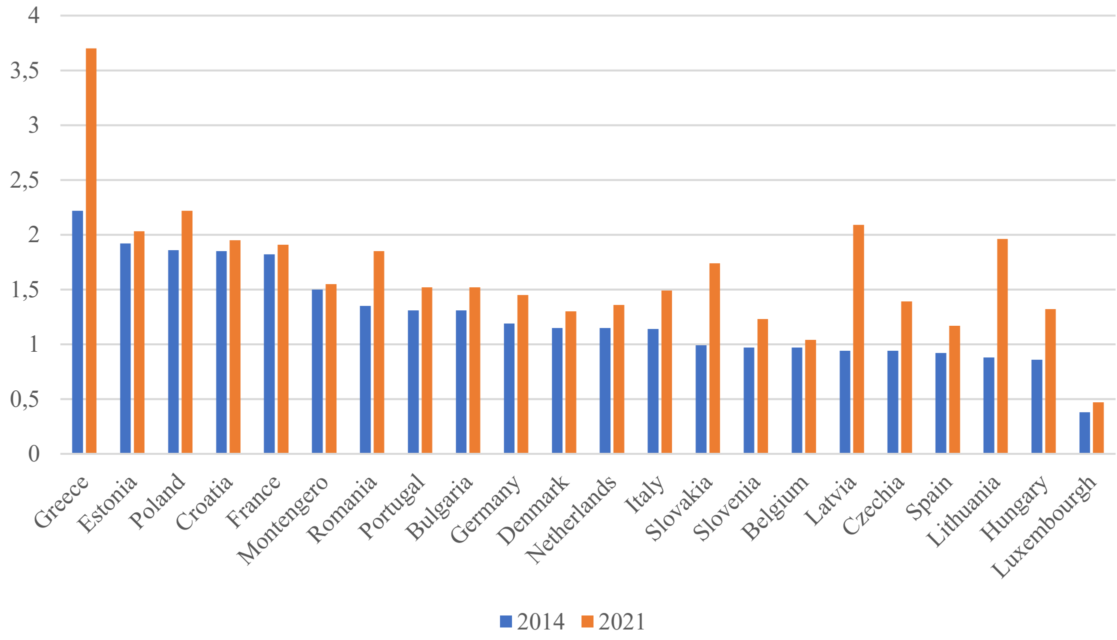
Despite the repeatedly demonstrated aggressive ambitions of the Kremlin, as well as the commitments undertaken at the NATO Wales Summit to allocate at least 2 per cent of GDP to defence, the vast majority of EU Member State governments continued to prioritise domestic public sentiment. As a result, policies aimed at increasing defence expenditures and pursuing active militarisation remained largely unpopular. For instance, as of 2021, among all countries that spent less than 2 per cent of GDP on defence in 2014, only Poland and the Baltic States had fulfilled this commitment (Figure 1).

It was only in 2021, within the framework of the adopted seven-year EU budget *(European Commission, n.d.)* and against the backdrop of increasingly threatening rhetoric and actions by the leadership of the Russian Federation, that the European Union began to establish mechanisms – primarily financial ones – aimed at deepening defence integration processes, particularly in the areas of defence production and procurement. A significant step in this regard was the establishment of the European Defence Fund (EDF) *(European Commission, n.d.)*, whose budget initially amounted to EUR 7.3 billion and was subsequently increased to EUR 8.8 billion following the mid-term review in 2024. Resources from the EDF, allocated in the form of grants, enable EU Member States to initiate and develop projects in the field of defence production, defence-related research and development (R&D), and advanced technologies.

It is also important to note the establishment in the same year of the European Peace Facility (EPF) *(Council of the European Union, n.d.)*, whose primary objective is defined as conflict prevention and the strengthening of regional and international stability. Designed to finance both peacekeeping missions and operations (currently funding eight ongoing operations in Europe and Africa) as well as the provision of military assistance, the EPF has become one of the key instruments through which the European Union, as an international organisation, has provided military support to Ukraine. As a result, the EPF budget increased from EUR 5.69 billion to EUR 17 billion over a four-year period. As of the end of 2025, Ukraine had received EUR 6.1 billion from the EPF; at the same time, EUR 6.6 billion has remained blocked for more than a year due to Hungary's veto *(Scazzieri, 2025)*.

Figure. 1.

Defence spending by EU Member States, 2014-2021



Source. Compiled by the author based on data from (Statista, n.d.).
Note. This chart presents data on EU Member States that, as of 2014, were also members of NATO and had undertaken the corresponding commitment.

Nevertheless, as of 24 February 2022, when the Russian Federation launched its full-scale invasion of Ukraine, EU Member States were still far from a shared understanding of the future development of defence policy in the context of such a profound transformation of the security environment. For this reason, work on a key doctrinal EU document outlining a common vision of the Union's security and defence policy up to 2030 – the Strategic Compass – was significantly accelerated *(European External Action Service, n.d.)*. Published on 25 March 2022, this document effectively constituted the EU's response to Russia's unprovoked aggression against Ukraine.

The Strategic Compass is a comprehensive policy document in which the European Union clearly identified existing and potential security threats, explicitly condemning Russian aggression and designating Russia as the principal threat to European security. Given the importance of this document as the foundation of the EU's defence policy in the post-2022 period, it has been the subject of numerous analytical publications by both foreign and Ukrainian scholars. In particular, the National Institute for Strategic Studies published an analytical brief examining the content of the document and presenting its own conclusions *(Davymuka, 2022)*. It is noteworthy that the European Union has identified four priority areas for further action aimed at strengthening defence capabilities, each accompanied by a set of concrete measures for implementation:

• **ACT.**

1. Enhancing civilian and military Common Security and Defence Policy (CSDP) missions and operations by providing more robust and flexible mandates, expediting and streamlining decision-making processes, and ensuring greater financial solidarity.

2. Developing by 2025 a rapid deployment capability for EU armed forces, comprising up to 5,000 personnel across land, air, and maritime components.

3. Reforming civil and military command and control structures, promoting military mobility, and conducting regular exercises, with particular emphasis on rapid deployment forces.

• **SECURE.**

1. Strengthening intelligence capabilities, particularly through the EU Single Intelligence Analysis Capacity (SIAC).

2. Establishing a Hybrid Toolbox and Response Teams that integrate diverse instruments for the detection and response to a broad spectrum of hybrid threats.

3. Advancing the EU's cyber defence policy; enhancing the Union's presence across maritime,

air, and space domains, including the expansion of Coordinated Maritime Presence to additional regions such as the Indo-Pacific, the development of an EU Space Strategy, and the promotion of interoperability across these domains.

• **INVEST.**

1. Increasing both the quantity and quality of spending on the development of defence capabilities.

2. Pursuing joint research and development of modern and advanced solutions, including naval platforms, tanks, and military aircraft.

3. Maximising the use of PESCO and the European Defence Fund to jointly develop high-tech defence capabilities, with a particular focus on innovation.

• **PARTNER.**

1. Strengthening strategic partnerships with NATO and the United Nations, while expanding cooperation with regional partners such as the OSCE, the African Union, and ASEAN.

2. Developing bilateral partnerships with key countries, including the United States, the United Kingdom, Canada, Norway, and Japan, and maintaining engagement formats with Eastern Partnership countries, the Western Balkans, the EU's southern neighbours, and Latin American states.

3. Establishing the EU Security and Defence Partnership Forum to facilitate more effective engagement with partners.

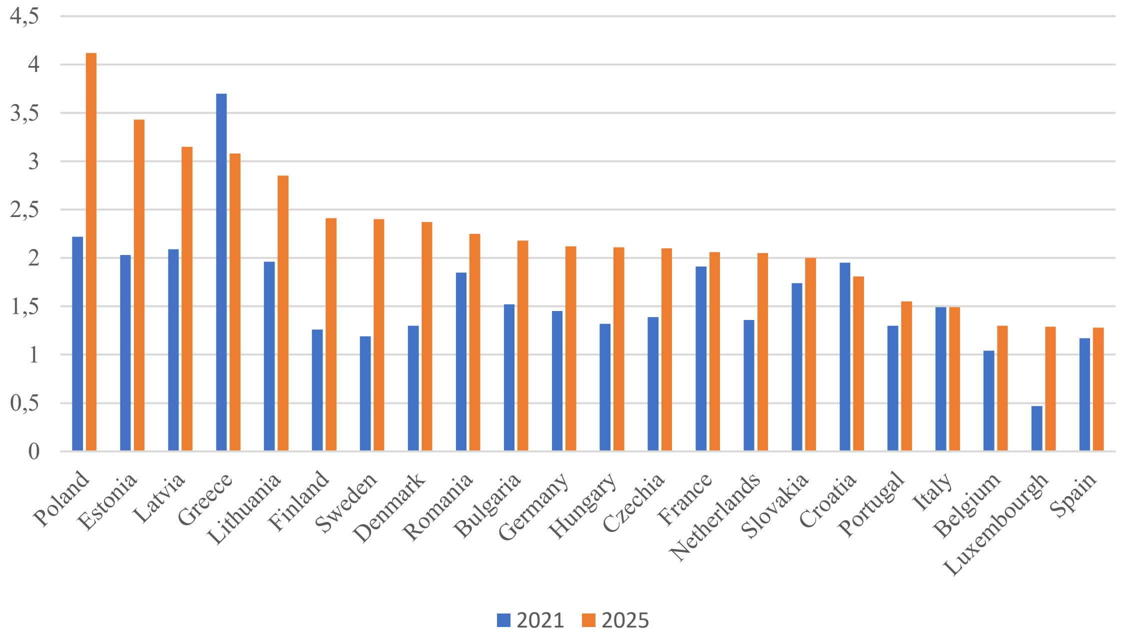
To monitor the implementation of this document, the EU High Representative for Foreign Affairs and Security Policy publishes an annual report to the Council of the European Union – the Annual Progress Report on the Implementation of the EU Strategic Compass on Security and Defence (the latest edition being March 2024) *(European External Action Service, 2024)*. The report assesses progress over the past two years very positively. For each of the priority areas, either concrete achievements have already been realised – such as the significant increases in EDF and EPF budgets, the adoption of the EU's first-ever Space Strategy, and the active ongoing programmes for the training of Ukrainian military personnel under the EU Military Assistance Mission – or notable intermediate results have been recorded in the pursuit of longer-term objectives, particularly regarding greater integration and cooperation in defence procurement and the defence industry.

In order to assess the progress achieved by the European Union in strengthening its own defence capabilities by the end of 2025, as well as to identify the main challenges that remain, it is necessary to examine the joint initiatives of EU Member States aimed at enhancing multilateral cooperation across key areas, namely:

As noted earlier in this article, for the vast majority of EU countries, the commitment made at the 2014 NATO Summit to reach defence expenditures equivalent to 2% of GDP remained largely a political statement, rather than a plan intended for actual implementation. The onset of a full-scale conventional war in the heart of Europe, however, has had a profound impact on both domestic and foreign policies of EU governments, as well as on public sentiment within these countries.

Starting from 2022, defence expenditures of EU Member States began to increase significantly. Specifically, the total EU defence budget amounted to EUR 240 billion in 2022, rising to EUR 279 billion in 2023 (+16%), EUR 326 billion in 2024 (+36% compared to 2022), and EUR 392 billion in 2025 (+63%) *(European Parliament Research Service, 2025)*. By comparison, over the eight-year period from 2014 to 2021, the budget had increased only from EUR 180 billion to EUR 218 billion, or by 21%. There is little doubt that this upward trend will continue into 2026.

Figure. 2.
Defence expenditures of EU Member States, 2021-2025



Source. Compiled by the author based on data from (Statista, n.d.) .

Analyzing the data, two main conclusions can be drawn:

- following 2022, the dynamics of defence spending among EU Member States changed significantly. Whereas prior to this period only four countries had reached the planned benchmark of 2% of GDP on defence expenditure, by 2025 the vast majority of Member States had achieved this target;

- a more pronounced divergence has emerged in spending priorities among countries from different parts of Europe. Eastern flank states of the EU have substantially increased their defence budgets, while countries directly bordering the Russian Federation have done so severalfold. In 2025, Poland became the clear leader within the EU in this regard (with 4.8% planned for 2026 *(Notes from Poland, 2025)*), though Lithuania *(Ministry of Finance of Lithuania, 2025)* and Latvia *(Ministry of Finance of Latvia, 2026)* are expected to surpass it, thereby meeting the commitment to reach 5% by 2035, adopted at the 2025 NATO Summit in The Hague.

Radical shifts in defence policy have also occurred among the EU's leading states. The Federal Chancellor of Germany, on the third day following the full-scale invasion, announced the creation of a EUR 100 billion fund to enhance Bundeswehr capabilities *(Federal Government of Germany, 2022)*. Furthermore, considering the government's plans to allocate EUR 649 billion to strengthen defence by 2030 *(NewsDesk, n.d.)*, a historic decision was taken in March 2025 to release defence expenditure from strict debt limits (previously capped at 1% of GDP) and to allow greater use of domestic borrowing for defence purposes. France has likewise sought to maintain a strong position, reaching the 2% threshold in 2024 and planning additional investments in its defence budget over the coming years *(Reuters, 2025)*.

Conversely, for Southern European countries, strengthening defence capabilities remains a lower priority. Consequently, in recent years, defence spending levels in this region (Italy, Spain, Portugal) have remained largely unchanged. This is largely due to issues related to public debt, which, for instance, stands at nearly 140% of GDP in Italy. Given that Russian aggression does not pose an immediate threat to them, discussions on this matter continue both within the EU and NATO. Notably, Spain has been the only country to resist fully agreeing to the compromise of 3.5% direct defence spending plus 1.5% for associated costs by 2035, as adopted at the NATO Summit in The Hague *(Politico, 2025)*.

A historic yet, at the same time, logical step for the European Union, in light of increasingly provocative and threatening actions by Russia as well as the consistent policy of the Trump Administration to reduce U.S. security commitments to Europe, was the publication by the European Commission in March 2025 of the White Paper on European Defence – Readiness 2030 *(European Commission, n.d.; Orlyk, 2025)*. The White Paper essentially constitutes a continuation of the

Strategic Compass, outlining the vision of the leaders of a united Europe regarding the EU's defence strategy in the context of evolving geopolitical dynamics.

In order to achieve the stated objective of full EU defence readiness by 2030, the document places particular emphasis on the EU defence plan ReArm Europe, which serves as an implementation strategy for achieving the overarching objectives of self-defence outlined in both the Strategic Compass and the White Paper. Recognizing that, despite a significant increase in defence spending (more than 31% since 2021, reaching 1.9% of the EU's aggregate GDP), European expenditures remain substantially lower than those of the United States, Russia, or China, the central goal of ReArm Europe is to mobilize approximately EUR 800 billion for defence purposes.

Under the ReArm Europe plan, the European Commission has identified five mechanisms to rapidly and significantly increase European defence spending:

- the majority of this sum (up to EUR 650 billion) is expected to be mobilized at the national level, allowing Member States to increase defence expenditure through sovereign debt. To this end, a waiver of the Stability and Growth Pact is permitted, enabling countries to increase defence spending without triggering an excessive deficit procedure; *(European Commission, 2025)*

Note: The Stability and Growth Pact is an agreement concluded in 1997 among EU Member States on fiscal and budgetary policy, obliging countries to maintain annual budget deficits below 3% of GDP and public debt below 60% of GDP.

- EUR 150 billion is to be mobilized through the introduction of a new financial instrument providing loans to countries for military production projects and defence procurement. This instrument has been named Security Action for Europe (SAFE), further details of which will be provided below;

- additionally, funds are expected to be raised from the European Defence Fund (EDF), the mobilization of private capital, and contributions from the European Investment Bank.

Undoubtedly, the adoption of such an ambitious plan demonstrates that the EU is prepared to act decisively and has a clear understanding of the challenges at hand. At the same time, the capacity of EU Member States to utilize sovereign debt for increased defence spending varies considerably. While Scandinavian countries and, for example, Germany – which, as noted above, has already amended its national legislation accordingly – possess sufficient fiscal space, there are numerous heavily indebted Member States (such as France and countries in Southern Europe) for which the removal of fiscal constraints provides little practical effect *(de Cordoue, 2025)*.

While increased investment and financing in defence are crucial, it is equally important to have a clear understanding of where and for what purpose resources are allocated. Therefore, it is essential to analyse the key areas of EU Member States' cooperation, namely defence procurement and the defence industry.

Within the European Union, defence procurement is governed by European Parliament and Council Directive 2009/81/EC on defence and security procurement, adopted on 13 July 2009, which establishes the rules for the procurement of weapons, ammunition, and military materials for defence purposes *(European Union, 2009)*. For a long period, a key challenge in this area was the absence of a unified policy and shared vision among EU Member States regarding the strengthening of defence. Consequently, each country conducted procurements solely based on its own national interests, without taking into account broader European security needs. This was largely the main reason behind persistent problems in the EU's defence procurement policy, such as fragmentation and duplication, lack of standardization, and complex bureaucratic procedures *(Keystone Procurement, 2023)*.

By 2022, two primary models prevailed in EU joint defence procurement:

- procurement through the European Defence Agency (EDA), established in 2004. Although joint procurement is one of the Agency's objectives, this function had been largely underutilized for many years. In addition to the reasons mentioned above, this was also due to the activities of other agencies with similar mandates and complex regulatory frameworks, such as NATO's Support and Procurement Agency (NSPA) and the Organisation for Joint Armament Cooperation (OCCAR). The institutionalization of joint defence procurement was often further hampered by the desire of individual Member States to lobby for the interests of their domestic defence industries during contract negotiations;

- lead-nation model, in which one country conducts procurement on behalf of itself and the other participating countries in a project. In recent years, this approach has become the primary method and has been used in the implementation of all major European procurement projects, both successful and less successful. Examples of more successful initiatives include the Common Armoured Vehicle System (CAVS), launched in 2020 by Finland as the lead nation in cooperation with Denmark, Sweden, Germany, the United Kingdom, and Latvia. Less successful projects include the Franco-German Main Combat Ground System, which has made virtually no progress since 2017 *(Andersson, 2023)*, and the Franco-German-Spanish Future Combat Air System (FCAS) for sixth-generation fighter aircraft procurement *(Financial Times, 2025; Vittek, 2025)*.

As a result, the logical decisions of European governments to conduct the majority of procurements either from domestic producers or non-European suppliers (primarily the United States) led, according to the EDA's December 2021 report, to the lowest level of EU joint defence procurement since 2006, amounting to only 11% *(European Defence Agency, 2021)*.

Since February 2022, both the EU leadership and Member State governments have begun rapidly reassessing the approach to defence procurement. By July 2022, work had commenced on the European Defence Industry Reinforcement through Common Procurement Act (EDIRPA), which was ultimately adopted by the European Parliament and the Council of the European Union only in October 2023 *(European Commission, n.d.)*. Although the budget allocated for this mechanism was relatively modest, totalling EUR 300 million, the emphasis was placed squarely on conducting joint defence procurements among EU Member States. Specifically, EUR 60 million was allocated to each of five procurement projects across three key areas:

Air Defence:

1. Mistral MANPADS – 9 countries (Belgium, Denmark, Estonia, Spain, France, Cyprus, Hungary, Romania, and Slovenia);
2. IRIS-T SLM air defence system – 6 countries (Bulgaria, Germany, Estonia, Latvia, Austria, and Slovenia).

Armoured vehicles:

1. Inclusion of the aforementioned CAVS project in EDIRPA financing.

Artillery ammunition:

1. CPoA 155 mm (Collaborative Procurement of Ammunition) – 6 countries (Denmark, Croatia, Italy, Lithuania, the Netherlands, and Poland);
2. HE (high-explosive) 155 mm – 4 countries (Germany, Denmark, Estonia, and the Netherlands).

Given its limited budget, EDIRPA was designed as a temporary mechanism, operational until 2025, while the EU leadership worked on a more comprehensive and long-term framework. In March 2024, the EU published its first-ever European Defence Industrial Strategy (EDIS), alongside a proposal for the European Defence Industrial Programme (EDIP). Considering the significant shift in priorities among most European countries over the past three years regarding the importance of developing a domestic and European defence industry, and correspondingly conducting procurements from European manufacturers, the further trajectory of EU policy in this area will be analysed in the following section.

Regulation of matters related to the internal market falls within the competence of the Union; however, Article 346 of the Treaty on the Functioning of the European Union provides for exceptions to this rule in the field of arms and ammunition production and trade, allowing Member States to protect their essential security interests *(European Union, 2016)*. The development of the EU defence industry was further constrained by the prevailing belief among most Member States that a war in Europe was unlikely. As a result, the European defence technological and industrial base remained underfunded for years, leading to a gradual erosion of domestic capacities for the production of weapons and ammunition.

Moreover, EU Member States frequently procured defence equipment from outside the Union, even in cases where comparable European-made alternatives were available *(Maulny, 2023)*. This practice ultimately led to such a severe degradation of the European armaments sector that it proved incapable of meeting the surge in demand for weapons and ammunition following the outbreak of Russia's full-scale war against Ukraine, despite increased procurement spending by EU governments.

A vivid illustration of this structural weakness was the failure of the EU initiative to supply

Ukraine with one million 155 mm artillery shells within one year (from March 2023 to March 2024) *(Reuters, 2023)*. The plan envisaged both the transfer of ammunition from existing stockpiles and the contracting of newly manufactured rounds. A total of EUR 2 billion was allocated to this project, including EUR 500 million under the Act on Supporting Ammunition Production (ASAP), adopted in July 2023 *(European Union, 2023)*. ASAP became the first EU regulatory instrument adopted after 24 February 2022 aimed at supporting the Union's defence industry, with the explicit objective of expanding EU production capacities and addressing the acute shortages of ammunition and missiles.

Through ASAP, as well as the European Peace Facility (EPF) – whose budget was increased by EUR 5.5 billion during 2023 – the EU intended to reimburse Member States for ammunition transferred directly to Ukraine, as well as for contracts related to the production and delivery of new ammunition.

Nevertheless, despite considerable efforts and strong political rhetoric, the EU failed to deliver on its stated objective. As early as November 2023, EU leadership acknowledged that the plan would not be fulfilled *(Bloomberg, 2023)*. The pledged one million rounds were ultimately delivered only in November 2024, eight months behind the original schedule *(Borrell, n.d.)*. While one of the cited reasons was the sharp increase in the price per shell – from approximately USD 2,000 per unit in 2021 to around USD 8,000 in 2023 – the core issue remained the inability of the European defence industry to generate the required production capacity, a reality that some political actors were reluctant to acknowledge *(Myroniuk & Yegoshyna, 2024)*.

Consequently, by 2023, the need arose to develop a strategic document for the development of the European defence industry, in which the European Commission and Member States would highlight the main challenges, define key objectives, and outline the pathways to achieve them. This document took the form of the European Defence Industrial Strategy (EDIS), published in March 2024 *(European Commission, 2024)*. EDIS identifies the primary priority as ensuring EU defence readiness in the context of the Russian threat by enhancing the innovation, competitiveness, and resilience of the European defence technological and industrial base through increased defence investments and improved supply chains. Emphasizing the necessity to strengthen cooperation (joint investments, procurement, and research) to achieve this priority, EDIS sets out the following requirements:

- joint defence procurement within the EU must account for at least 40% of all Member States' defence acquisitions;

- EU Member States are to allocate no less than 50% of their defence budgets to products from European companies by 2030, and at least 60% by 2035;

- the creation of legal structures for the Structures for the European Ammunition Programme (SEAP), through which groups of at least three Member States can conduct joint procurement while receiving additional funding from European sources *(Tardy & Ostanina, 2024; Kozioł, 2024)*.

Simultaneously with EDIS, the European Defence Industrial Programme (EDIP) *(Council of the European Union, n.d.)* was proposed as an implementation instrument to provide financial and regulatory support to the European defence technological and industrial base. After extensive deliberations, on 16 October 2025, the European Parliament and the Council of the EU reached political agreement on the main framework of EDIP, with formal adoption occurring on 25 November and 8 December 2025, respectively. With a budget of EUR 1.5 billion, EDIP replaces EDIRPA and ASAP and will operate until 2027, the end of the EU's current Multilateral Financial Framework. EDIP is designed to address the following primary objectives:

- accelerating Member States' production capacities;
- enhancing the resilience of supply chains;
- strengthening cooperation with the Ukrainian defence industry for mutual benefit;
- ensuring controlled availability of critical defence products, among others.

At the same time, EDIP inherits the primary limitation of EDIRPA and ASAP – the EUR 1.5 billion budget is insufficient to achieve even a portion of the set objectives. Currently, the programme's main task is to establish a clear regulatory framework for implementing joint projects, with a larger budget expected to become available following the adoption of the new EU Multilateral Financial Framework in 2027.

Simultaneously with the discussion and adoption of EDIP, the European Council, following a proposal by the European Commission, published in March 2025 the regulatory framework establishing the Security Action for Europe (SAFE) credit programme *(European Union, 2025)*. As noted earlier in this article, this new EU financial instrument, with a total volume of EUR 150 billion, is part of the EU defence plan ReArm Europe, which has an overall planned budget of up to EUR 800 billion.

The purpose of SAFE is to stimulate joint production of defence equipment within the EU. Funding is envisaged for two main areas:

1) Artillery, missiles and ammunition, armoured vehicles, precision strike systems, support and cybersecurity systems;

2) Air defence/missile defence systems, naval assets, large unmanned systems and countermeasures, artificial intelligence systems, space equipment, electronic warfare systems, and strategic supply capabilities.

Key features of the SAFE instrument include:

- joint procurement must involve at least two countries, and in addition to Member States, partner countries – including Ukraine – may also participate. To qualify for favourable loan conditions, participation of at least two Member States is required. In the initial phase (until May 2026), countries will also have the opportunity to submit individual applications;

- loan repayment terms may extend up to 45 years, with no repayment obligations during the first 10 years. Up to 15% of the loan funds may be disbursed in advance to support project initiation;

- at least 65% of the estimated value of the final product must come from European companies, or from companies within the European Free Trade Association, the European Economic Area, or Ukraine.

By September 2025, all EUR 150 billion had been allocated according to applications from 19 countries, with Poland emerging as the clear leader, receiving nearly one-quarter of the total funds (EUR 43.73 billion).

All the aforementioned initiatives and regulatory mechanisms for the development of the EU defence industry and joint procurement were adopted in record time. This urgency reflects the growing recognition, as the war continues, that strengthening defence capabilities is an immediate and pressing need. Improving the efficiency of policies in these areas is critically important for rapidly achieving such capabilities, which remains the EU's primary focus. Consequently, the final part of this article examines the key existing and planned EU defence initiatives.

For a long time, the primary mechanism for military cooperation among EU Member States was the Permanent Structured Cooperation (PESCO), already mentioned at the beginning of this article. Given that a total of 83 projects are planned under PESCO across all operational domains – from traditional land, air, and maritime areas to cybersecurity and countering information threats – deepening multilateral cooperation within this framework could have been a logical step.

However, in recent years, European leaders have rarely referred to PESCO. In its report covering the first phase (2017–2025), the PESCO Secretariat noted that less than half of the projects had reached the implementation stage, with key achievements largely confined to cybersecurity and military mobility – important areas, but not among today's highest priorities *(European Defence Agency, 2025)*.

Consequently, the EU has actively initiated new projects, taking into account the need to respond to the most pressing threats to European security. In particular, in October 2025, the European Council approved the Defence Preparedness Roadmap to 2030 – a document outlining strategic priorities and measures aimed at strengthening the defence readiness of EU Member States by 2030 *(European Commission, 2025)*. This roadmap envisages:

- the implementation of flagship initiatives to enhance EU defence capabilities:

1) European Drone Defence Initiative – the creation of a multi-layered counter-UAS system encompassing detection, tracking, and neutralisation of drones, as well as the deployment of EU-owned drones for precision strikes. Project completion: 2027;

2) Eastern Flank Watch – aimed at strengthening the EU's eastern borders through integration of air defence, counter-UAS, ground and naval surveillance systems, and situational awareness tools. Project completion: 2028;

3) European Air Shield – the establishment of an integrated air and missile defence system to

protect the airspace of EU Member States, fully compatible with NATO. Project completion: 2026;

4) European Space Shield – aimed at protecting EU space assets and services, including the development of Galileo, IRIS, Earth Observation, and other systems, enhancing threat countermeasures and space situational awareness. Project completion: 2026.

- *the creation of Capability Coalitions:*

1) Air and missile defence – establishment of an integrated EU air and missile defence system;

2) Strategic enablers – improvement of logistics, medical support, transport, and communications;

3) Military mobility – enhancement of EU transport networks for rapid deployment of troops and equipment;

4) Artillery systems – development of modern artillery systems, calibre standardisation, and joint ammunition production;

5) Cybersecurity, artificial intelligence, and electronic warfare;

6) Missile systems and ammunition – increased production and creation of European stockpiles;

7) UAVs and counter-UAV systems;

8) Ground combat forces – modernisation of armoured vehicles and joint development projects for new tanks and armoured personnel carriers;

9) Naval forces – development of next-generation frigates, unmanned maritime systems, and coastal defence capabilities.

A mandatory benchmark stipulates that at least 40% of procurement must be conducted jointly within the EU by the end of 2027, and by 2030, no less than 55% of defence investments should be directed toward European companies.

- *strengthening the defence-industrial base:*

1) promoting research and development, including through the EDF and the forthcoming EU Competitiveness Fund;

2) expanding defence production through joint procurement and long-term contracts;

3) retraining 200,000 workers for the defence industry by 2026.

- *support for Ukraine:*

1) integration of the Ukrainian defence industry into the European defence-industrial base;

2) financing Ukraine through frozen Russian assets;

3) establishing a drone alliance to develop UAV technologies jointly by Ukrainian and European enterprises;

4) continuation of the EU MAM mission for training Ukrainian personnel;

5) integration of Ukraine into projects under SAFE and the Ukraine Support Initiative (USI) for joint procurement.

Overall, 2025 proved to be a breakthrough year for the EU in terms of accelerating key decisions in both legislative-regulatory and practical dimensions. Considering that the White House's position on reducing US security commitments in Europe is unlikely to change, strengthening the EU's own defence capabilities has once again become, for the first time since the Cold War, an existential issue. In the context of the rhetoric and actions of the Russian military-political leadership, this will continue to remain the case for many years to come.

Conclusions. A detailed analysis of the EU's strategic, regulatory, and financial activities in the field of security and defence over the past four years demonstrates profound conceptual transformations in the priorities of the Member States in both foreign and domestic policy. Since 2022, near-revolutionary decisions have been taken, primarily at the legislative and budgetary levels, aimed at enhancing military capabilities, expanding production capacities, and strengthening integration and cooperation within the EU in the implementation of joint defence projects across multiple domains. At both political and analytical levels, references to a "European Defence Union" capable of countering both hybrid and conventional threats have become increasingly frequent.

At the same time, a number of well-known challenges remain unresolved. The EU's Multiannual Financial Framework for 2021–2027 was adopted in a context where the primary challenge was the COVID-19 pandemic, and strengthening defence capabilities was not considered a priority. For decades, the security and defence sector was systematically underfunded, which has directly affected the industrial capacities of EU Member States. Since 2022, it has become evident that the full deployment of production capacities requires significantly more time—time that, under the current security environment, the EU no longer has.

Therefore, in recent years the European Union has increasingly placed emphasis on strengthening Ukraine's integration into European defence projects, primarily in the areas of joint production and technology transfer. Within the European political and expert discourse, a consensus has emerged that Ukraine's experience in developing innovative, battlefield-tested technologies should form the basis for defence industrial projects of European countries. In this context, Ukraine's inclusion in joint manufacturing projects under the EDIP and SAFE frameworks represents a logical and important step in deepening Ukraine–EU cooperation in this field.

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