The New EU Defence Agenda

Moving Towards a Single Market for the Arms Sector

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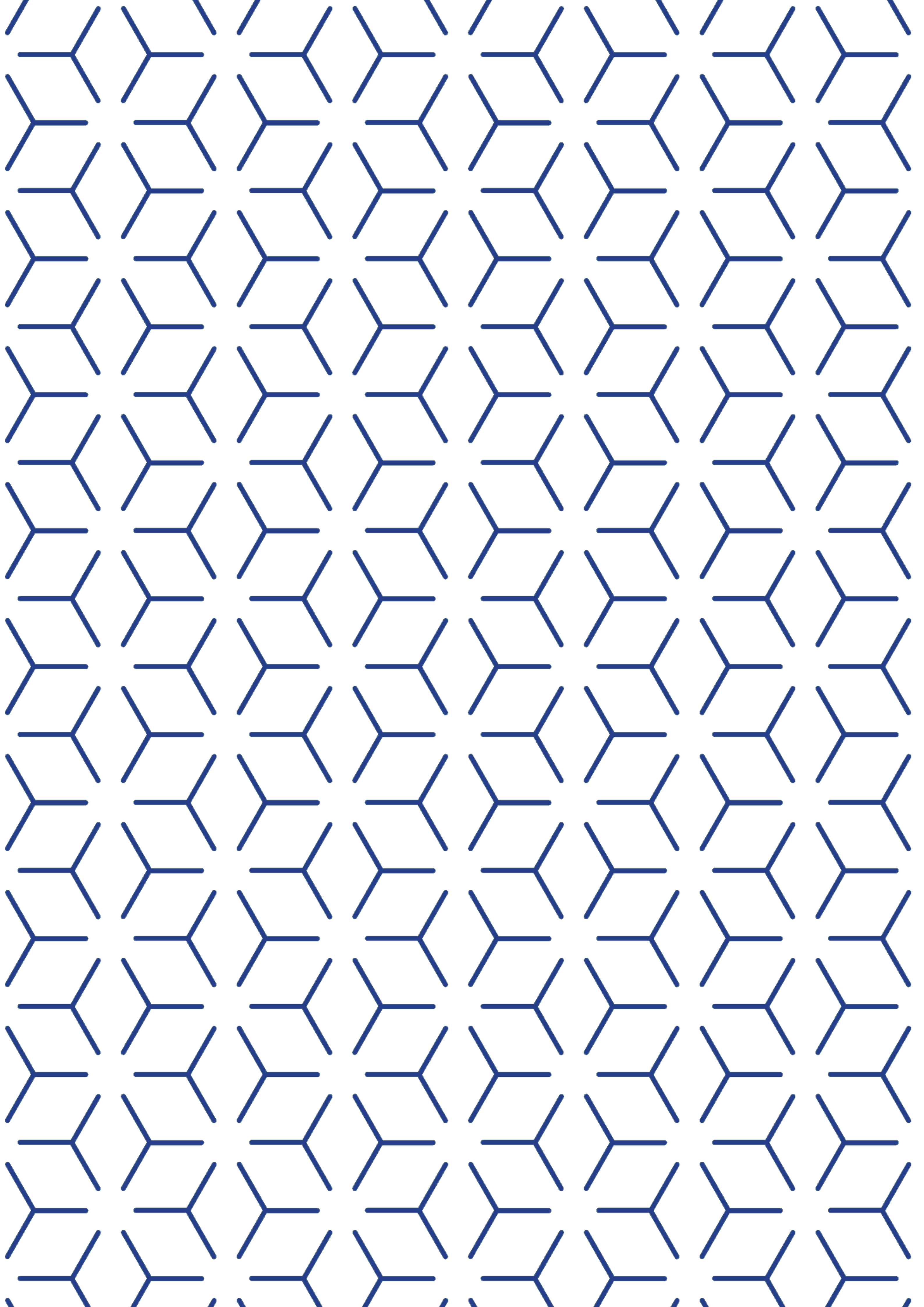

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Warsaw, November 2025
The Polish Institute of International Affairs

Editor: **Brien Barnett**

Technical editing and cover design: **Natalia Radulska**

ISBN 978-83-68555-11-0
E-ISBN 978-83-68555-12-7

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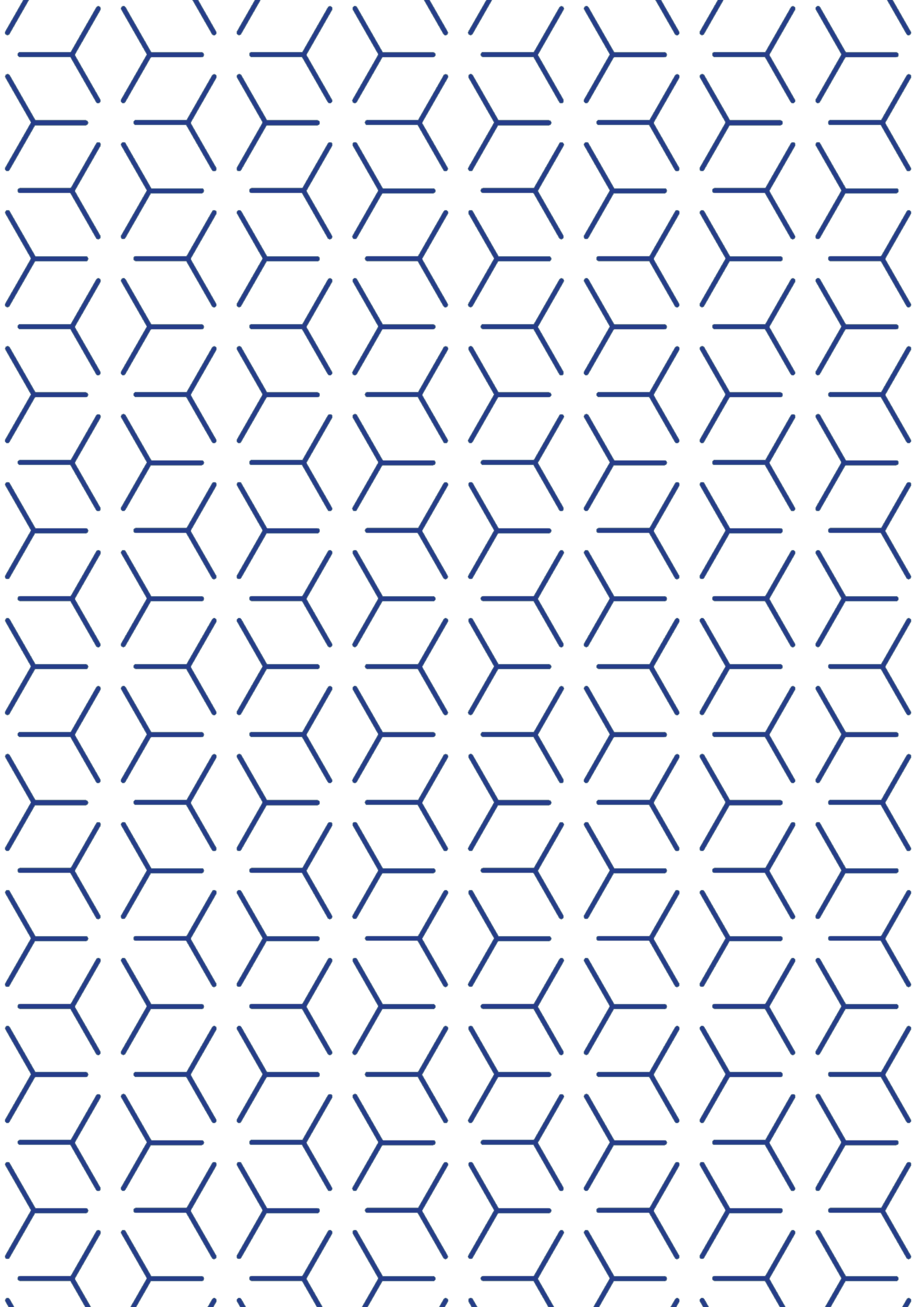
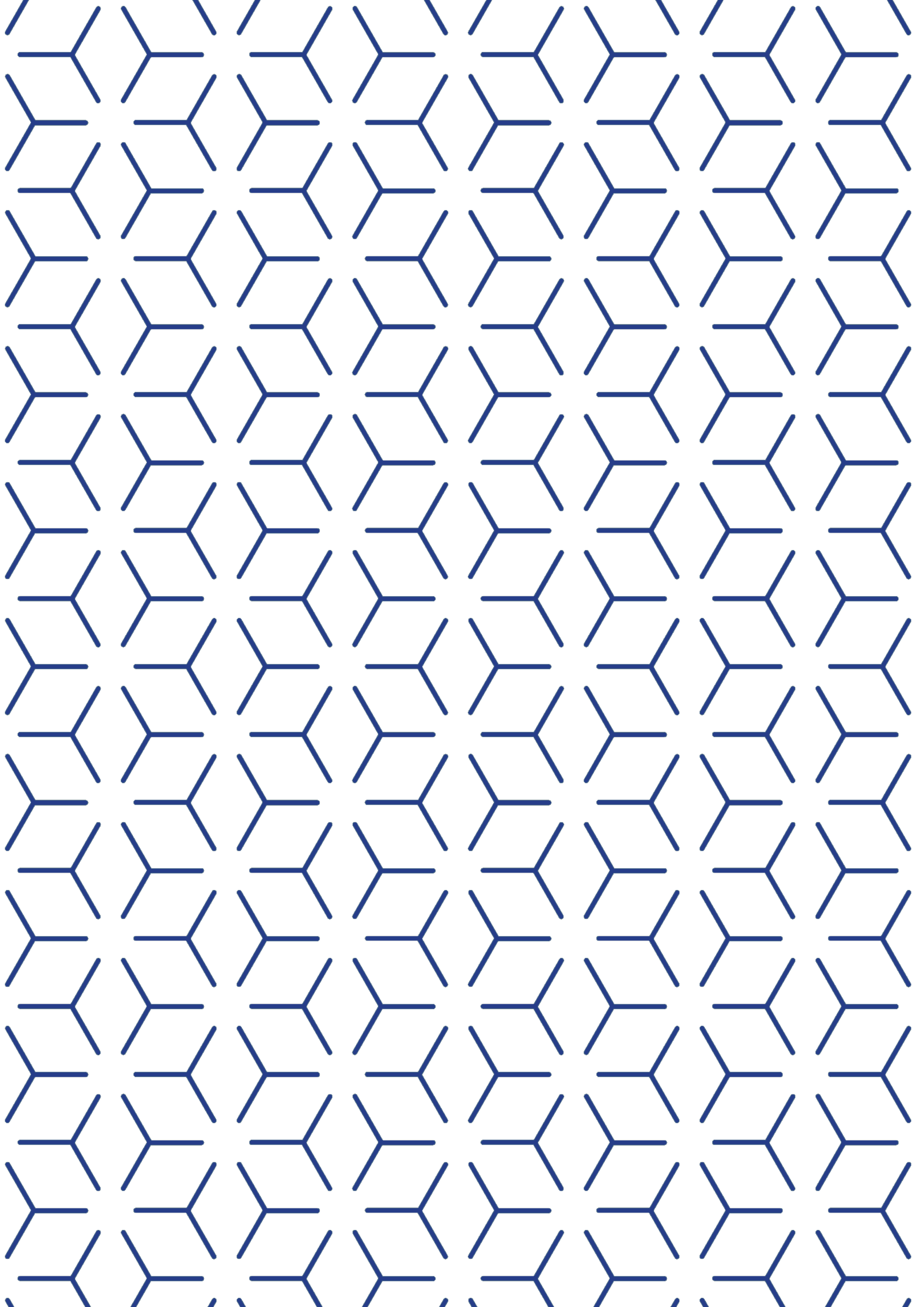


List of Abbreviations

ASAP	Act in Support of Ammunition Production
C4ISTAR	Command, Control, Communications, Computers, Intelligence, Surveillance, Targeting Acquisition and Reconnaissance
CDP	Capability Development Plan
EDA	European Defence Agency
EDIP	European Defence Industry Programme
EDIRPA	European Defence Industry Reinforcement through common Procurement Act
EDIS	European Defence Industry Strategy
EDPCI	European Defence Projects of Common Interest
EDTIB	European Defence Technological and Industrial Base
EEA	European Economic Area
EFTA	European Free Trade Association
EPF	European Peace Facility
EUMAM	EU Military Assistance Mission in Support of Ukraine
IPCEI	Important Projects of Common European Interest
NAC	North Atlantic Council
PSC	Political and Security Committee
SAFE	Security Action for Europe



Executive Summary

The Need for Rearmament

The military threat posed by Russia, coupled with the emergence of isolationist tendencies in the policies of the new U.S. administration, has invigorated the development of the EU's defence agenda. One area of cooperation that could provide tangible benefits for Member States, such as replenishing stockpiles, filling capability gaps, and expanding and modernising armies, is cooperation between armaments companies. However, for this to result in a real strengthening of defence and deterrence capabilities in Europe, the EU institutions must conduct a holistic review of the current understanding of the single defence market and its formation, in cooperation with the Member States.

Methodological Approach

A mixed research methodology was employed to compile a thorough analysis of the European defence sector, drawing upon a blend of qualitative and quantitative data. Official documents and statements, as well as international databases, were utilised. Observing changes within the arms sector and the wider institutional environment broadened the context regarding perceptions of the processes taking place, the evolution of planning at the national and international level, and the realisation of key interests. Consequently, the report begins by identifying the main causes of the current rearmament process and goes on to outline its course and consequences at both the European and national levels. This provides a basis for identifying areas requiring further detailed analysis in future, taking into account Poland's security policy priorities.

Conclusions and Recommendations

Growing threats have prompted the EU to utilise its economic and regulatory influence to encourage the Member States to invest more in developing their defence capabilities. In the short term, the priority must be to close the gaps in the military capabilities of the Member States as soon as possible, while also strengthening Ukraine's military. The success of the ReArm Europe/Readiness 2030 plan will determine whether credible defence and deterrence against Russia can be sustained over the next five years. In the longer term, the success of these activities will translate into strengthening the European Defence Technological and Industrial Base (EDTIB) within an emerging single defence market.

The following actions are required to achieve these objectives:

- Design future defence industry support instruments and the EU budget in such a way that they allow for a reduction in ***ad hoc*** measures (such as EDIRPA, ASAP, or SAFE) and enable the defence sector to transition to a state of continuous readiness. This will enable an increase in current production and its adaptation to demands evolving in time.

- An ambitious EU budget for 2028–2034 should be sought to respond to the needs of states rapidly increasing their defence spending and to support those for whom increasing arms expenditure is politically and fiscally challenging. This will lead to an overall strengthening of security and resilience in Europe.

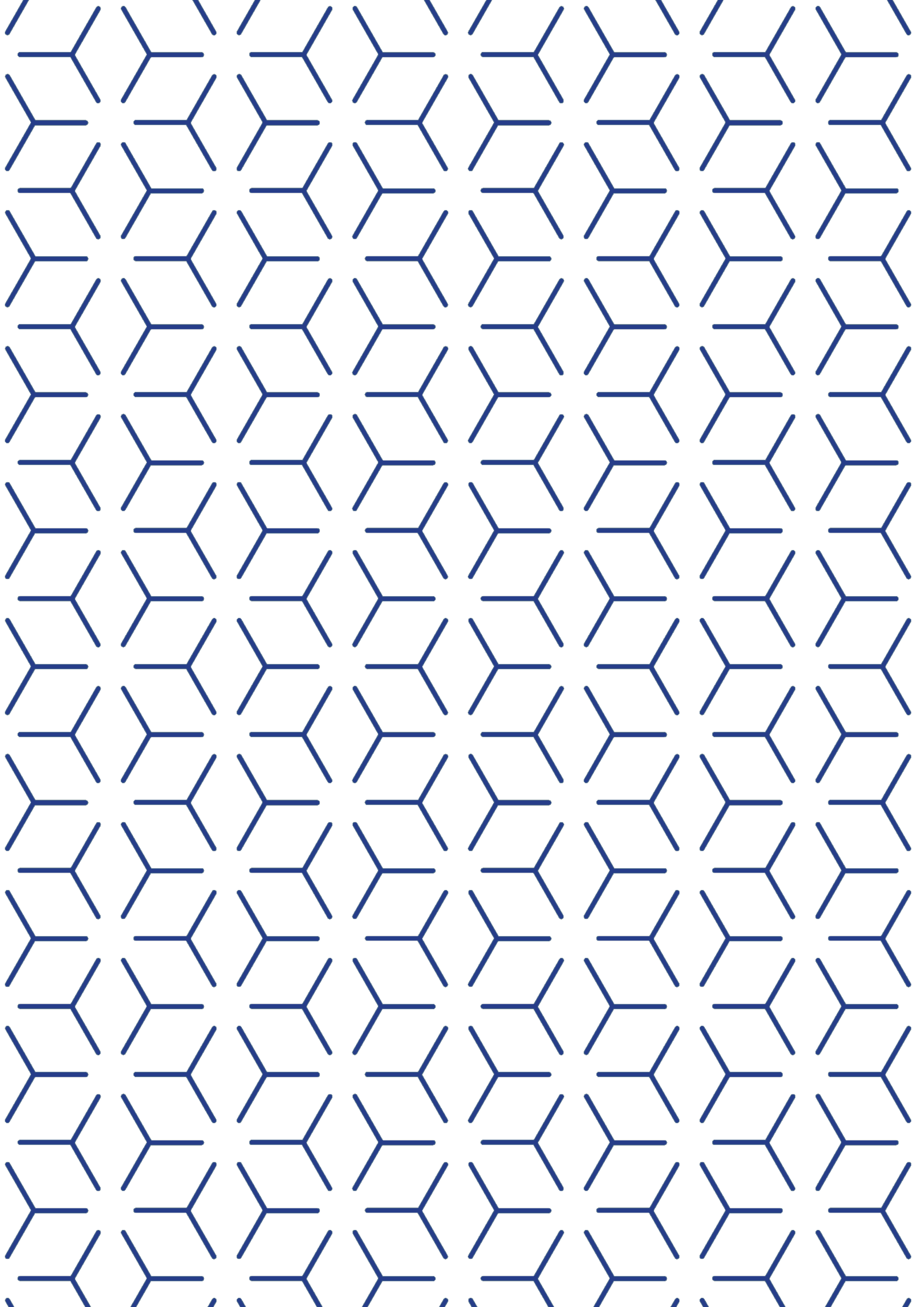
- Priorities in the area of military capability development should be regularly evaluated to ensure consistency between the objectives of the European Council, the European Commission, and the European Defence Agency. These objectives should also align with the implementation of NATO's defence plans. This will ensure the EU's activities are carried out systematically.

- Support instruments should be designed in order to create incentives for defence companies to cooperate, in addition to direct funding. For example, they could extend the proposals of the "Omnibus" package to include instruments that facilitate the coordination of Member States' export policies, technology transfer, and technical standards within the EU. This could also cover dual-use items of particular importance to defence.

- Excessive market concentration resulting from cooperation between Europe's largest defence companies must be avoided. To this end, new programmes and the future EU budget should take geographical and structural diversity into account when allocating funding, including the presence of the Ukrainian sector. This will guarantee the harmonious development of the single defence market and increase its resilience.

- The potential of the EDTIB in foreign policy should be exploited, and security and defence partnerships should be established with states that contribute to EU global priorities, including the defence and deterrence against Russia.

The dynamic development of the EU's industrial and defence policy tools creates new opportunities for the Polish arms sector. While the strengthening of the sector in connection with the fulfilment of current orders is a desirable phenomenon, closer cooperation with European partners is necessary to guarantee stable, long-term development, including the acquisition of new technologies and expansion into new markets. To this end, companies applying for EU funding should be provided with support, including free training and advice on preparing competition documentation, as well as consultation at every stage of project implementation. It would also be worthwhile considering the introduction of comprehensive systemic support for Polish enterprises that have already established partnerships within the EU. In such cases, direct grants, additional financial guarantees from the state, and special tax relief could be awarded to encourage the development of such activities and inspire others to follow suit. Poland should also aim to increase investment in research and development, as well as in realisation of implementation projects by small and medium-sized enterprises and startups. At the EU forum, Poland could also propose a European Defence Project of Common Interest (EDPCI), which would best serve to improve its security.



Changes in the Security Environment

Although Ursula von der Leyen began her term as president of the European Commission with the aim of establishing a European Defence Union,[1] it was only when the second Trump administration declared its intention to reduce U.S. involvement in European security that the debate on European military capabilities gained momentum. The prospect of a reduced U.S. military presence in Europe, coupled with a focus on the threat from China, has prompted other EU and NATO member states to bolster their defence capabilities, exposing the extent of underinvestment in the arms sector.[2]

Meanwhile, Russia has consistently sought to subjugate Ukraine and, despite its involvement in the war, is rebuilding its capabilities faster than previously anticipated, according to numerous intelligence reports.[3] As the war with Ukraine forms part of a wider confrontation with the West for Vladimir Putin, gaps in European defence capabilities could increase the risk of Russian aggression against the EU and NATO. Russia may be aiming to force concessions on its December 2021 ultimatum to NATO and the U.S., in which it demanded the withdrawal of allied troops from countries admitted to NATO after the collapse of the USSR, among other things.[4] Additionally, Russia conducts

1 U. von der Leyen, "Europe's Choice. Political Guidelines for the Next European Commission 2024–2029," Strasbourg, European Commission, 18 July 2024, https://commission.europa.eu.

2 "Informal EU leaders' retreat," European Council, Council of the European Union, 3 February 2025, https://www.consilium.europa.eu.

3 See: M.A. Piotrowski, "Baltic and Nordic States Assess the Russian Military Threat," *PISM Bulletin*, No. 45 (2546), 9 April 2025, https://www.pism.pl.

4 "Соглашение о мерах обеспечения безопасности Российской Федерации и государств-членов Организации Североатлантического договора," Министерство иностранных дел Российской Федерации, 17 December 2022, https://mid.ru; "Договор между Российской Федерацией и Соединенными Штатами Америки о гарантиях безопасности," Министерство иностранных дел Российской Федерации, 17 December 2022, https://mid.ru.

hybrid operations involving disinformation, cyberattacks, and sabotage[5] that are designed to undermine democratic states along three key dimensions: alliances, state institutions, and societies. Focusing attention "inwards" is expected not only to reduce interest in the war in Ukraine and the actual potential for further assistance but also to hinder the development of European defence capabilities.

Consequently, European states will face an increasing burden to strengthen defence and deterrence capabilities against Russian threat while maintaining military aid to Ukraine. Russia, which is reluctant to make peace, will attempt to exploit the reduction in U.S. involvement in Europe—including the supply of arms to Ukraine—to gain as much advantage as possible. The European response to both challenges involves the formation of a single defence market within the EU. This is to be achieved through increased cooperation in production and more joint procurements between the Member States' armaments actors and Ukraine.

5 See: F. Bryjka, "NATO Members On Guard Against Russian Sabotage," *PISM Bulletin*, No. 112 (2420), 29 July 2024, https://www.pism.pl.

The EU Defence Agenda

Since Russia's full-scale aggression against Ukraine in 2022, the EU has started to play an increasingly important role in European defence. First and foremost, it is supporting Ukraine's ability to defend itself, thereby investing in its own security.[6] Through the European Peace Facility (EPF), it is financing the supply of offensive equipment—it has so far allocated €6.1 billion for this purpose, supplemented by €57.1 billion in direct support from Member States, and it also provides training for soldiers as part of the EUMAM Ukraine, which has so far trained 80,000 people. At the same time, the EU is trying to increase the production capacity of the European defence industry. To this end, in 2023 it adopted two transitional instruments, one the Act in Support of Ammunition Production (ASAP)[7] and the other the European Defence Industry Reinforcement through Common Procurement Act (EDIRPA).[8] A perception of increasing threats has led states to gradually overcome their traditional limitations regarding national competences in security matters and make greater use of cooperative measures within the EU. These solutions also circumvent the limitations associated with providing Ukraine with *ad hoc* support through direct arms supplies refinanced from the EPF.

By doing this, the EU is not assuming new competences from the Member States, as this would necessitate extensive treaty reform. The growing importance of joint initiatives is prompting a shift in strategic thinking among the Member States. The first manifestation of this was the decision to appoint Andrius Kubilius as Commissioner for Defence and Space[9] at the start of the new European Commission's term of office in

6 A. Kozioł, "EU Military Assistance to Ukraine and the Future of the Common Security and Defence Policy," in: J. Szymańska (ed.), *The European Union in the Face of Russia's Aggression against Ukraine*, Warsaw: PISM, 2024, https://www.pism.pl.

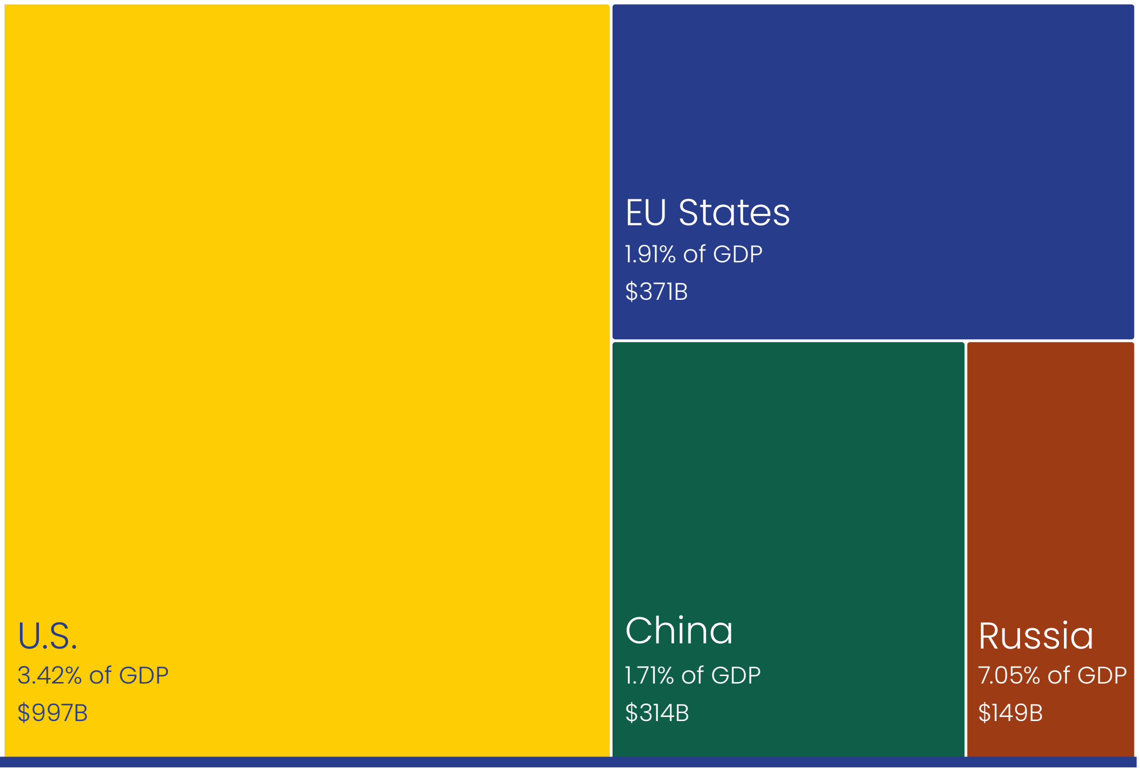
7 "ASAP. Boosting defence production," European Commission, https://defence-industry-space.ec.europa.eu.

8 "EDIRPA. Procuring together defence capabilities," European Commission, https://defence-industry-space.ec.europa.eu.

9 A. Kozioł, "EU Steps up Strategic Thinking with the Appointment of Commissioner for Defence and Space," *PISM Bulletin,* No. 168 (2476), 13 November 2024, https://www.pism.pl.

2024. This establishes the Commission as a pragmatic actor in industrial and defence policy, capable of effectively supporting the Member States. The next step was the development of new policy documents that define not only the threats and challenges but also the concrete actions needed for an effective response. The Commission took the initiative in this regard, first assigning the former Finnish president to produce a report on civil and military preparedness and readiness in Europe (the so-called Niinistö report),[10] and then using this report as the basis for preparing the White Paper on European Defence–Readiness 2030 and the Preparedness Union Strategy (both published in March this year).

Figure 1:
A Comparison of EU States, U.S., Russian, and Chinese Defence Spending in 2024



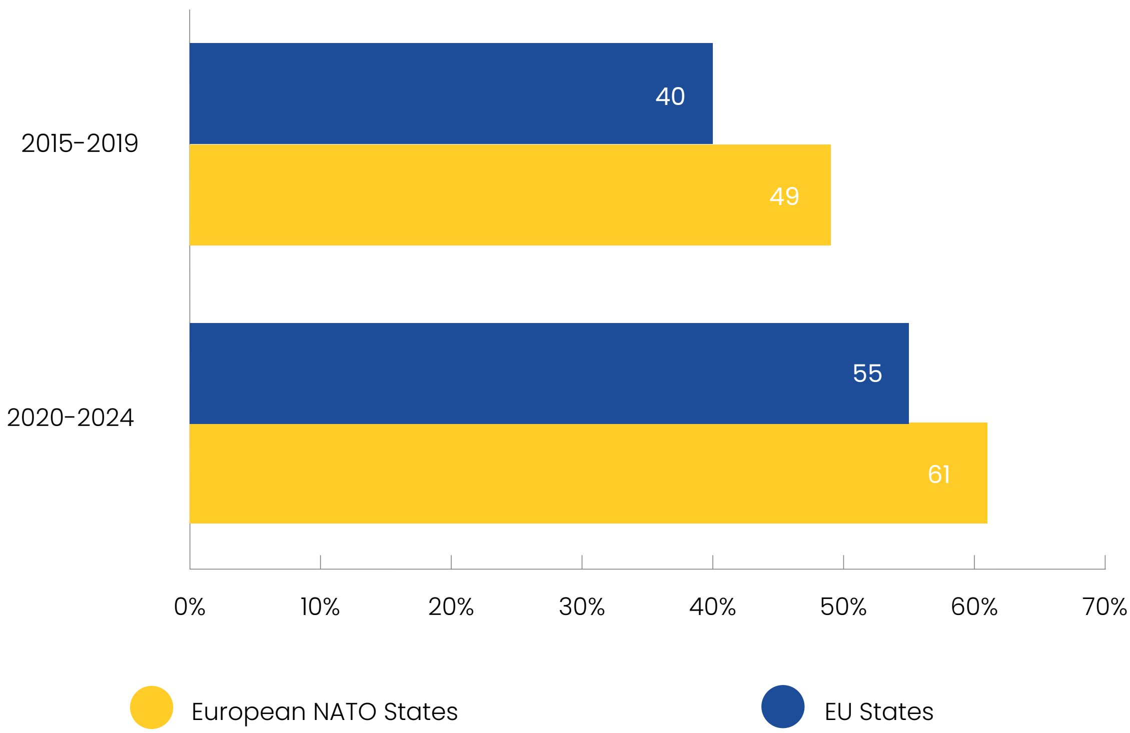
Source: Own elaboration based on SIPRI, IMF data

These documents for the first time in history present the EU's comprehensive response to security and defence challenges, taking into account both military capabilities and the defence industry, as well as the resilience of states and societies to hybrid threats. However, against this backdrop, the under-investment in capabilities by the Member States as a whole becomes apparent, with most of them collectively allocating less

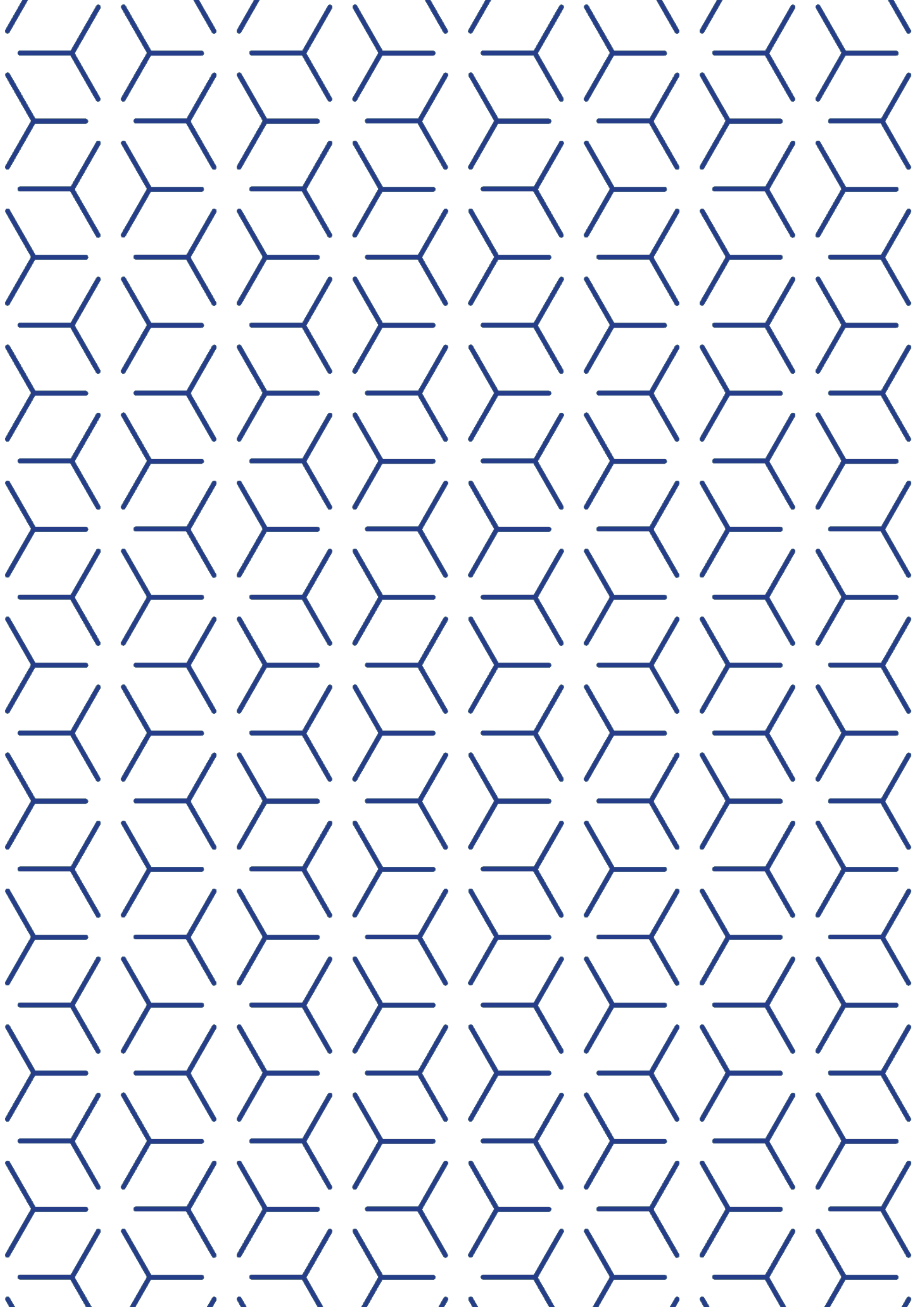
10 A. Kozioł, "EU Unprepared for Crises: Challenges in Implementing the Niinistö Report," *PISM Bulletin*, No. 31 (2532), 12 March 2025, https://www.pism.pl.

than 2% of GDP to defence despite adopting this target at the NATO summit in 2014. The disparity in spending relative to other global players (see: Fig. 1) poses challenges for the EU as a whole. Furthermore, there is a lack of general agreement on investment priorities for specific military capabilities, both at the EU level and among the individual Member States. This is often due to national preferences being incorporated into EU strategic documents in an uncoordinated manner, as well as the EU's still weak cooperation with NATO. This makes it difficult to reduce dependence on the U.S. at the strategic level and on arms imports (see: Fig. 2), a situation that has been exacerbated for decades.

Figure 2:
A Comparison of Military Equipment Imports to the EU and European NATO States from the U.S. (% of total imports)



Source: Own compilation based on SIPRI data



Towards a Single Defence Market

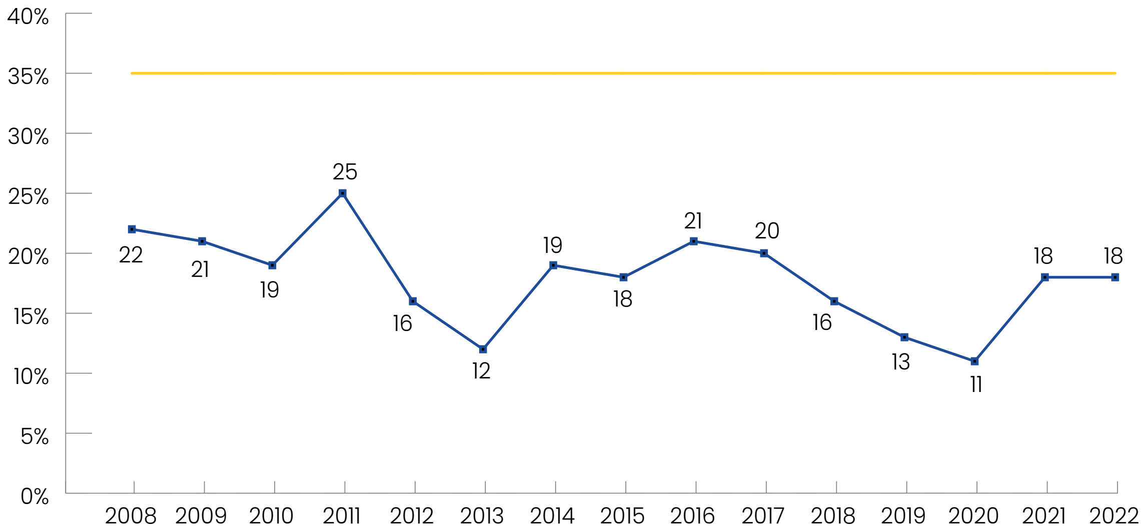
In the face of the need to increase military assistance to Ukraine while strengthening defence and deterrence capabilities against Russia, EU states have reached a consensus on the necessity of permanent solutions to bolster the European Defence Technological and Industrial Base (EDTIB). The EU's main objective is to accelerate the closing of defence capability gaps and encourage the Member States to collaborate across the Union to create a single defence market. This would reduce overall rearmament costs and strengthen the competitiveness of European defence companies in the global arms market. So far, the states have invoked security interests to justify their use of the derogation allowed by Article 346 of the Treaty on the Functioning of the EU, which exempts them from the general rules of the treaty concerning the internal market when it comes to the production and trade of arms, munitions, and war materiel.[11] Such an approach has resulted in little progress with regards to enhancing cooperation on joint procurement, despite the states themselves setting a target to raise it to 35% in 2007 (see: Fig. 3).

The initiatives proposed by the Commission this year are primarily intended to promote cooperative action at the EU level, facilitating the rapid strengthening of the military capabilities of the Member States. The impetus for such rapid investment is expected to come from the Commission's ReArm Europe Plan/Readiness 2030, which aims to raise up to €800 billion for this purpose.[12]

11 *Treaty on the Functioning of the European Union of 13 December 2007*, OJ C 202, pp. 47–360, https://eur-lex.europa.eu/.

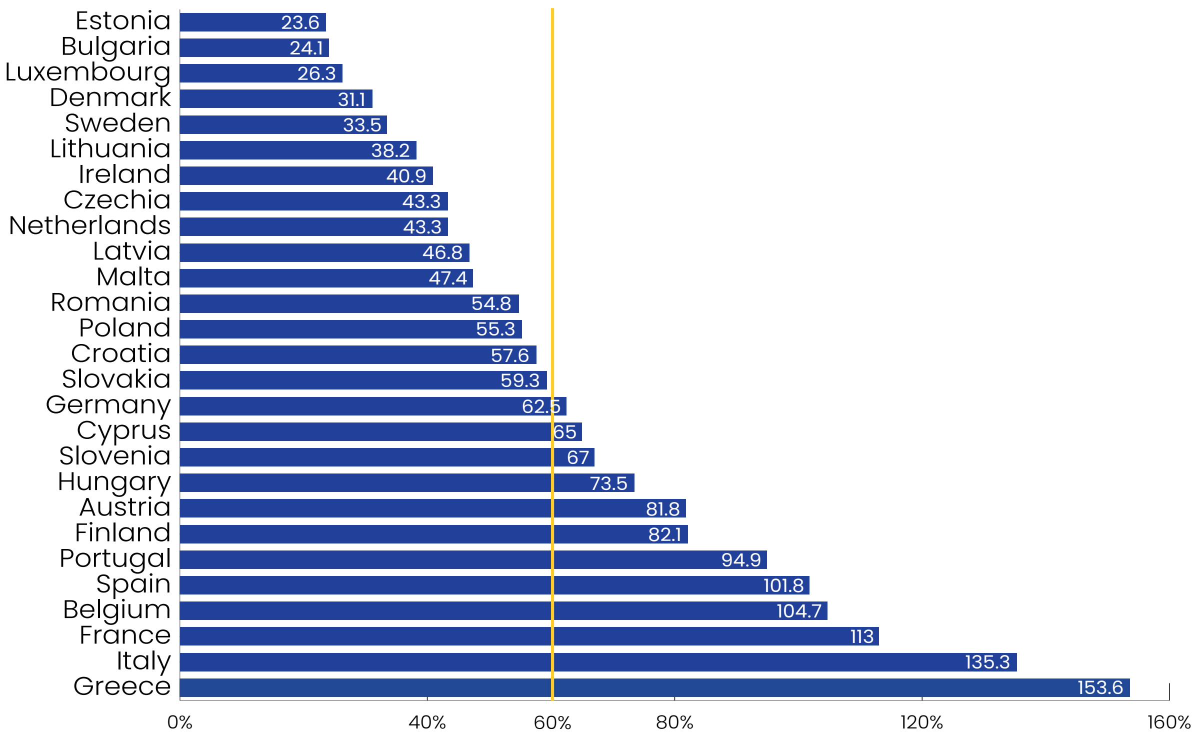
12 "Commission unveils the White Paper for European Defence and the ReArm Europe Plan/Readiness 2030," European Commission, 19 March 2025, https://ec.europa.eu.

Figure 3:
Joint Procurement as a Percentage of the Total Procurement of Military Equipment in the EU (vs. 35% target)



Source: Own compilation based on EDA data

Figure 4:
Gross Public Debt of EU States in 2024 (% of GDP)

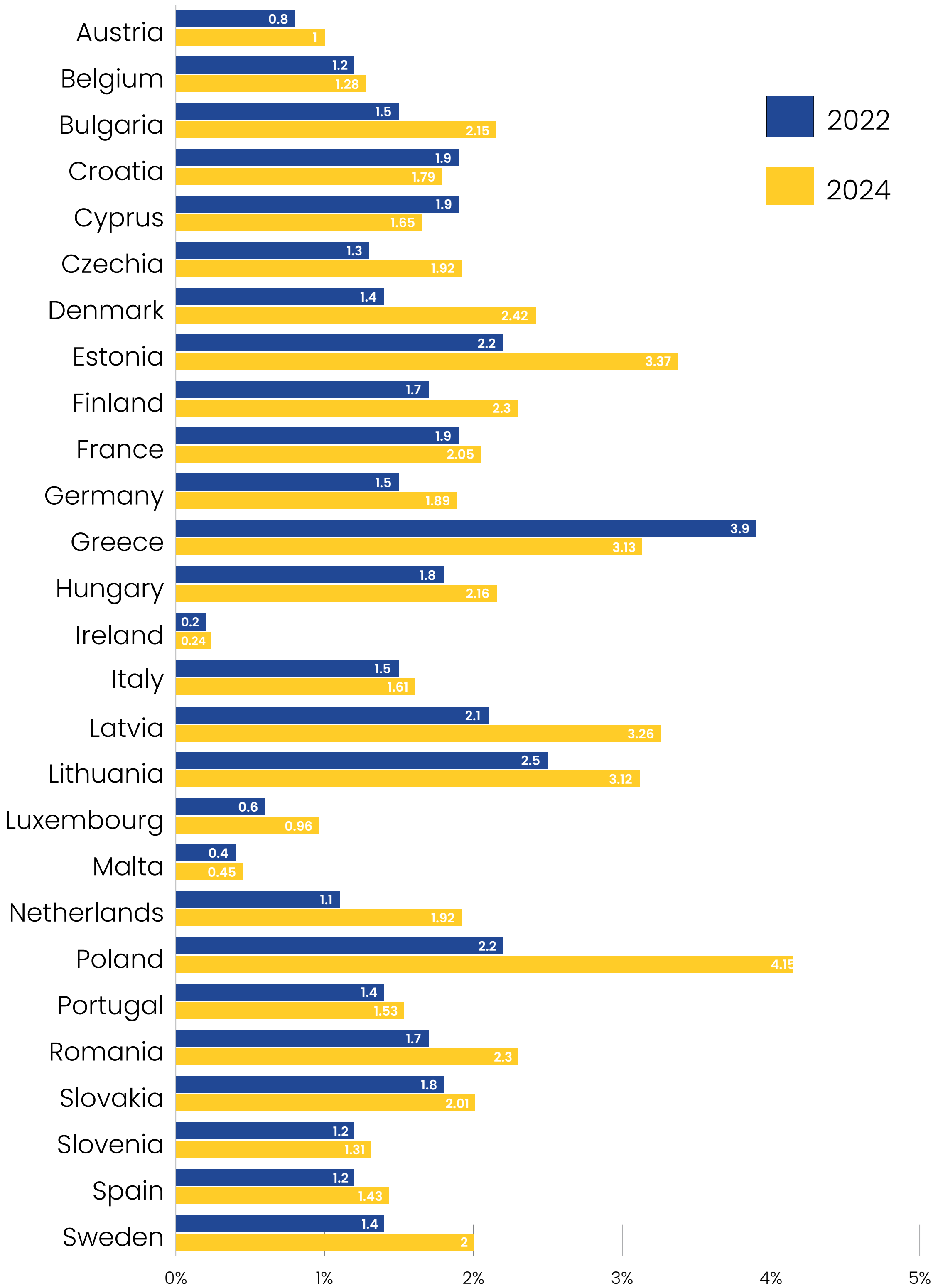


Source: Own compilation based on Eurostat data

A key element of the proposal is the €150 billion Security Action for Europe (SAFE) instrument adopted this year. It enables states to apply for long-term loans on the capital markets via the EU, thereby quickly subsidising the defence sector while spreading the associated financial burden over time. However, this will not prove to be beneficial for all EU members, mainly due to the insufficient price competitiveness of the loans. This is especially the case if some states are able to obtain cheaper loans on the market or if their inclusion in the national debt exceeds 60% of GDP, as set out in the Stability and Growth Pact (see: Fig. 4). However, given the strong interest from states, the entire pool is likely to be distributed later this year. To date, 18 EU members have applied for a SAFE loan: Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, Finland, France, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, and Spain (see: Map 1). The total amount requested in their applications exceeded the available budget, with the states seeking a minimum of €127 billion. Also, some of the funds will be allocated to armaments already procured by individual states. The requirement to cooperate only covers two states, including Ukraine. This confirms that the priority under SAFE is to encourage EU members and Ukraine to quickly strengthen their capabilities without discouraging investment, which could be the case if the Commission tried to force a far-reaching deepening of Member State cooperation in military capability development in the short term.

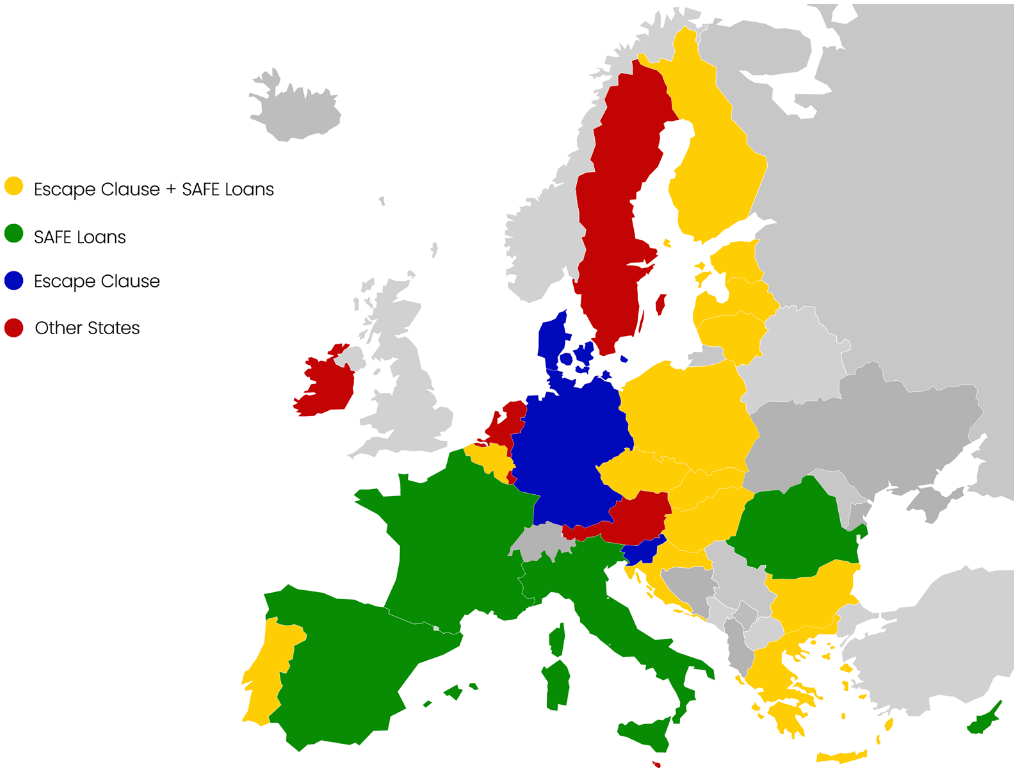
Investing the remaining €650 billion is essential if the EDTIB is to be meaningfully strengthened over the next five years. The EU is encouraging the Member States to increase their national defence budgets by allowing them to increase their debt for this purpose. To this end, it has authorised the re-triggering of the national escape clause under the Stability and Growth Pact for defence spending (1.5% of GDP for four years). Such an emergency measure (general escape clause) was previously used in 2020 in response to the crisis caused by the pandemic. The Commission is also considering using funds from the current EU budget, such as cohesion allocations, to develop dual-use infrastructure. It is also trying to attract private investment by making European Investment Bank funding more flexible. However, so far, most of the Member States have not increased their defence budgets sufficiently (see: Fig. 5), nor have they put forward concrete plans to do so. The national escape clause has been invoked by 15 states (Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, Poland, Portugal, Slovakia, and Slovenia), which are primarily on the EU/NATO's Eastern Flank (see: Map 1). Due to slow decision-making by states and restrictive policies by the banking sector, defence ventures continue to receive limited financing, which in turn leads to a more cautious approach by the private sector, including insufficient capacity expansion by armaments companies.

Figure 5:
EU States' Defence Budgets (% of GDP)



Source: Own elaboration based on EDA, SIPRI data

Map 1:
Member States' Defence Investments Using EU Instruments



Source: Own elaboration based on European Commission data

However, the Commission is taking further steps to encourage states to strengthen their defence companies, explicitly aiming to create a single defence market. To this end, in 2024 it proposed the European Defence Industry Programme (EDIP), which implements the European Defence Industry Strategy (EDIS).[13] Funding will not be high and limited to €1.5 billion by the end of 2027 (€1.2 billion for Member States and €300 million for Ukraine). The key aspect of this programme is the proposed regulations, which are expected to lead to sustained cooperation between states in procurement and production. They will have long-term effects, informing the planning of future EU defence investments under the next budgetary framework for 2028–2034 and influencing the development of the European arms sector. This is particularly significant given that the Commission's proposal for the next multiannual financial framework, presented in July this year, envisages a fivefold increase in defence spending.[14]

13 "EDIS. Our common defence industrial strategy," European Commission, https://defence-industry-space.ec.europa.eu; A. Kozioł, "War in Ukraine Boosts Europe's Defence Industry," *PISM Bulletin*, No. 53 (2361), 4 April 2024, https://www.pism.pl.

14 "Press Statement by European Commissioner for Defence and Space, Andrius Kubilius, on the Multiannual Financial Framework (MFF)," European Commission, 16 July 2025, https://ec.europa.eu.

As with SAFE, the key criterion for funding is the origin of the components, with no more than 35% permitted from outside the EU. Entities from EEA-EFTA countries (Iceland, Liechtenstein, Norway, and Switzerland) and Ukraine are given similar status to that of entities from EU states. At the same time, the aim for cooperation with the U.S., whose companies often compete with EU companies and which has significant industrial and technological capacity, is to be limited in order to increase the independence of the European sector. Components from outside the EU will not be permitted if they originate from countries that infringe the EU's or its Member States' security and defence interests, which should include Russia and China. All defence products (except ammunition and missiles) will also be subject to control by Member States on a "design authority" basis, which should eliminate the intellectual property and export restrictions that states usually impose when entering into industrial and defence cooperation with foreign partners. From the perspective of EU's strategic objectives, in terms of both security and industrial policy, it is undesirable for such restrictions to prevent the freedom of decisions about the further development and operational use of military equipment acquired from abroad, such as the debates on arms transfers to embattled Ukraine have shown. An additional fiscal incentive for joint activities will be provided by a VAT exemption, generating significant savings for states with ambitious procurement programmes.

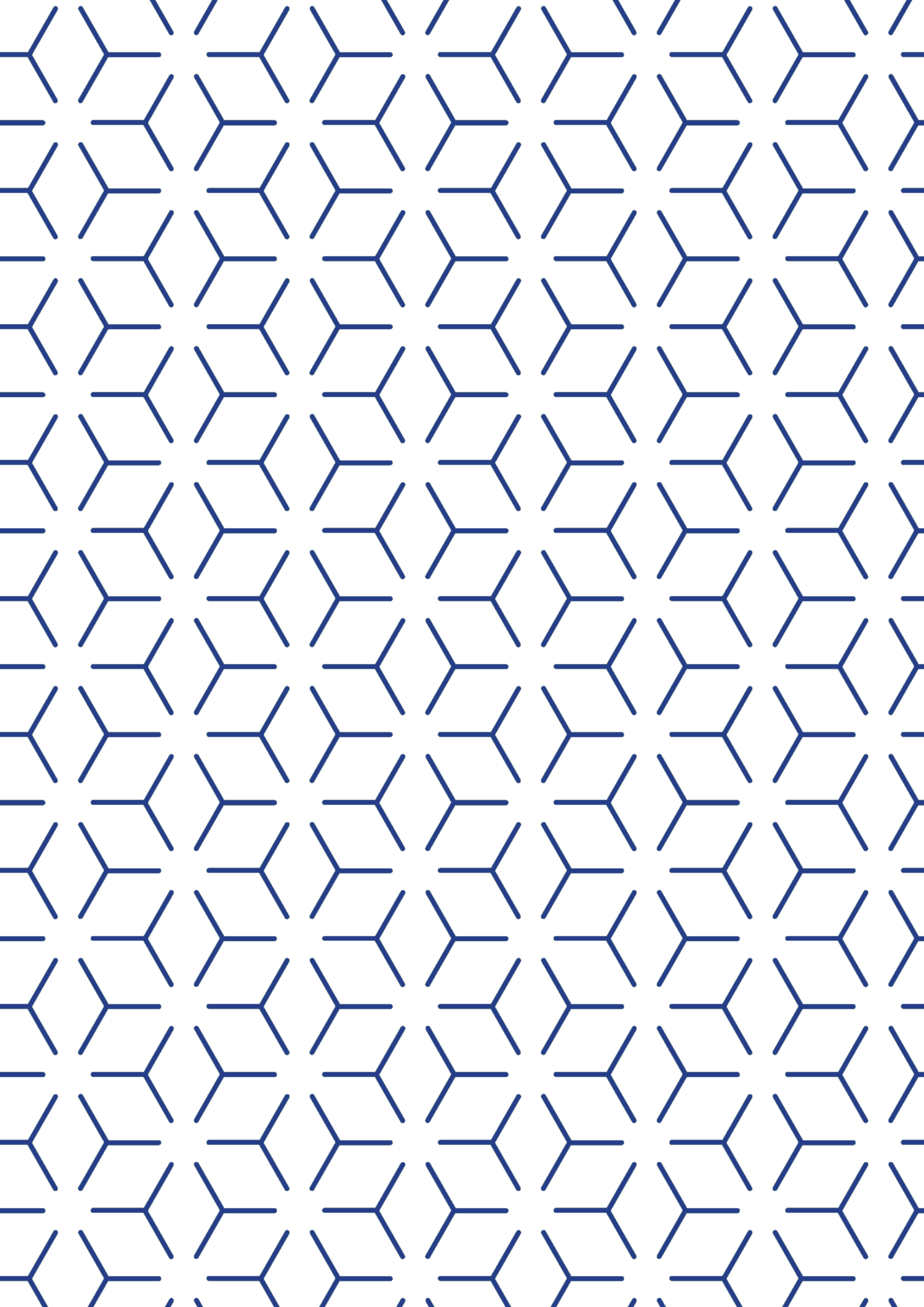
For both SAFE and EDIP eligibility, Ukraine will be treated similarly to the Member States. This sends a strong political signal of support for Ukraine's defence efforts and its European integration path. Developing Ukraine's defence technological and industrial base production capacity and cooperation with the EDTIB will help to meet war-related needs and replace some direct supplies of military equipment and ammunition. This is particularly important given the shift in defence efforts towards Europe amid reduced supplies from the U.S.[15] and Hungary's prolonged veto of the EPF, which has prevented this ***ad hoc*** mechanism from operating.[16]

Furthermore, the common defence market is to be strengthened by cooperation with third countries. To this end, the EU is establishing security and defence partnerships. So far, eight such agreements have been signed, three of which involve EU candidate states (Albania, North Macedonia, and Moldova), while the others involve allies (Canada, Norway, and the UK) or NATO partners (Japan and South Korea). Negotiations are also underway with Canada and the UK regarding the terms of their enhanced co-

15 J. Masters, W. Merrow, "Here's How Much Aid the United States Has Sent Ukraine," Council on Foreign Relations, 15 July 2025, https://www.cfr.org.

16 J. Barigazzi, "EU ministers fume as 'outrageous' Hungary yet again blocks military aid for Ukraine," *Politico*, 27 May 2024, https://www.politico.eu.

operation within SAFE. These partnerships are intended to sustain the ability to modernise European armaments through technology transfer and to attract investment in the EDTIB by establishing joint ventures and relocating production to Europe. At the same time, it is important that cooperation with partners is designed with a view to an impact on the shape of the single market, and not lead to its further concentration through cooperation limited to the largest companies in the EU's top five arms-producing states (France, Germany, Italy, Spain, and Sweden).



A Common Market for Common Security

Despite enhancing defence cooperation, the EU's role remains supplementary to NATO's. The Alliance provides defence for the majority of EU states (23 out of 27), as recognised by Article 42 of the Treaty on European Union[17] and recently confirmed by the accession of two new EU members, Finland (2023) and Sweden (2024), in light of Russia's aggressive actions. In the face of the prospect of a reduction in the scale and changing nature of the U.S. military presence in Europe, the need for Europe to take greater responsibility for its own security means that the EU is increasingly being recognised as an actor with a similarly important role to play as the Alliance. Funding the EDTIB through instruments such as SAFE and EDIP, and, from 2028, a new EU budget could be crucial in strengthening Europe's ability to defend and deter against Russia, as well as supporting Ukraine militarily.

However, for the EU to significantly strengthen the military capabilities of its Member States while building a single defence market requires two strategic decisions, in addition to attracting at least €800 billion of investment. First, priorities must be defined and harmonised at the EU level so that investment structures and directions reflect current threats, primarily from Russia. Second, these actions must be coordinated with NATO defence planning at a detailed level.

The increase in defence spending by most EU members was confirmed by the conclusions of The Hague NATO Summit in June this year. According to them, NATO states are to increase their spending to 5% of GDP by 2035, with 3.5% allocated to their armed forces and 1.5% to related expenditure, such as dual-use infrastructure.[18] Even before

17 Treaty on European Union of 13 December 2007, OJ C 202, pp. 13–46, https://eur-lex.europa.eu/.

18 "The Hague Summit Declaration issued by the NATO Heads of State and Government participating in the meeting of the North Atlantic Council in The Hague 25 June 2025," NATO, 25 June 2025, https://www.nato.int.

the new level was approved, Spain announced that it would be unable to meet it,[19] so it is likely that other states will face similar difficulties. In this situation, the EU's tools can create additional extra-budgetary incentives for a more ambitious approach to increasing defence capabilities by the Member States. This includes the Commission's proposed Defence Readiness Omnibus (de-)regulation package, which simplifies processes for the defence sector, including application procedures, eligibility criteria, time of issuing permits and environmental restrictions.[20]

Regardless of defence spending, the EU should define its military capability development priorities precisely and align them with NATO targets. A fundamental obstacle to closer cooperation between the EU and NATO in this matter is the limited nature of the relationship between the two institutions, particularly with regard to the exchange of classified information. Although capability development plans (CDPs) have existed within the EU since 2008, it is difficult to clearly determine the extent to which the EU's differently defined, non-overlapping priorities (see: Table 1) align with NATO's (see: Table 2). This is particularly relevant given that the EU is not a military alliance, that is, an organisation with developed command structures and operational plans of its own, as NATO is. However, official statements by the heads of the Commission and NATO suggest that the two institutions share a similar list of priorities, including air and missile defence, and military mobility.[21]

At the same time, it is unlikely that the impasse will be broken or a decision taken to deepen cooperation anytime soon. Informal meetings between the EU's Political and Security Committee (PSC) and NATO's North Atlantic Council (NAC), such as the meeting held in May this year, the first in three years, to further support Ukraine, only allow for general coordination.[22]

19 L. Kayali, M. Griera, "Spain wants exemption from NATO's 5 percent defense spending target," *Politico,* 19 June 2025, https://www.politico.eu.

20 "Defence Readiness Omnibus," European Commission, https://defence-industry-space.ec.europa.eu.

21 "'To Prevent War, NATO Must Spend More', Speech by NATO Secretary General Mark Rutte at the Concert Noble, Brussels," NATO, 12 December 2024, https://www.nato.int; "Commissioner Kubilius's speech at the European Defence Agency Annual Conference," European Commission, 22 January 2025, https://ec.europa.eu.

22 "NATO and the European Union unite for Ukraine at a NAC-PSC meeting", NATO, 28 May 2025, https://www.nato.int.

Table 1:
Comparison of EU Capability Development Priorities

Capability	EDA (2023)	European Council (March 2025)	White Paper (March 2025)	Defence Readiness Roadmap 2030 (October 2025)
Land		Missiles and ammunition	Ammunition and missiles	Missiles and ammunition
	Land-based precision engagement	Artillery systems, including deep precision-strike capabilities	Artillery systems, including modern artillery and long-range missile systems designed to deliver precise, long-range attacks against land targets (deep precision-strike)	Artillery systems
	Future soldier systems	Drones and anti-drone systems	Drones and counter-drone systems: unmanned systems, including aerial, ground, surface, and underwater vehicles that enhance the capabilities that these technologies enable (e.g., situational awareness, surveillance)	Drones and counter-drones
	Ground combat capabilities			Ground Combat
Air	Air combat platforms and weapons			
	Airborne command and information capabilities			
	Integrated air and missile defence	Air and missile defence	Air and missile defence that protects against the full spectrum of air threats (cruise missiles, ballistic and hypersonic missiles, aircraft and UAVs)	Air and missile defence
	Air transport		Strategic airlift and air-to-air refuelling aircraft	
Maritime	Naval combat and maritime interdiction			Maritime
	Underwater and seabed warfare			
	Maritime domain awareness		Maritime domain awareness	

Capability	EDA (2023)	European Council (March 2025)	White Paper (March 2025)	Defence Readiness Roadmap 2030 (October 2025)
Space	Space operations	Strategic enablers, including for space	Use and protection of space	
	Space services			
Cyber	Full-spectrum cyberdefence operations capabilities	Cyber	Cyberwarfare	Cyberwarfare
	Cyberwarfare advantage and readiness	Artificial intelligence	AI, Quantum	AI
Strategic enablers and force multipliers	Electromagnetic spectrum operations (EMSO) dominance	Electronic warfare	Electronic warfare and secure communications assets	Electronic warfare
	Persistent and resilient C4ISTAR		Intelligence and surveillance	
	Military mobility	Military mobility	Military mobility	Military mobility
	Critical infrastructure protection and energy security	Strategic enablers, including for critical infrastructure protection	Strategic enablers and critical infrastructure protection	Strategic enablers
	Sustainable and agile logistics		Military fuel infrastructure	
	Medical support			
	Chemical, biological, radiological, and nuclear (CBRN) defence			
	Cohesive and well-trained militaries			

Source: Own elaboration based on EDA, European Council, and European Commission information

Despite emphasising cooperation within the single market, the Commission partly embraces the idea that support should align with military capability development priorities. However, further steps in this direction are very important, as proposed by the EDIP, among others. This programme envisages the establishment of European Defence Projects of Common Interest (EDPCIs) to function as a special form of state aid to strengthen European industry, analogous to civilian IPCEI projects.[23] The selected projects should, in principle, be of the utmost relevance to European defence. This is particularly important given the ambiguity of priorities at the EU level and the limited resources available for rearmament.

Table 2:
NATO Capability Development Priorities

Target	Capabilities:	3.5% of GDP by 2035	Review in 2029
	Additional investment (resilience, infrastructure, industrial base):	1.5% of GDP by 2035	Review in 2029
Task	Deterrence and defence	Crisis prevention and management	Cooperative security
Operational domain	Land	Air	Maritime
	Space	Cyberspace	Multi-domain operations
Objective	400% increase in air and missile defence capabilities	Increasing the number of warships and fighter aircraft by several hundred	Increasing the number of drones and long-range missile systems
	Increasing the number of armoured vehicles and tanks by several thousand units	Increasing artillery shell production capacity to millions of pieces	Increase in the size of land formations (approximately 40–50 brigades, 200,000–250,000 troops)
	Modernisation of strategic nuclear forces	Doubling capacity in logistics, supplies, transport and medical support	Development of command and control centres
	Improving resilience to hybrid operations, including sabotage	Development of space, including communications, and cyber capabilities	

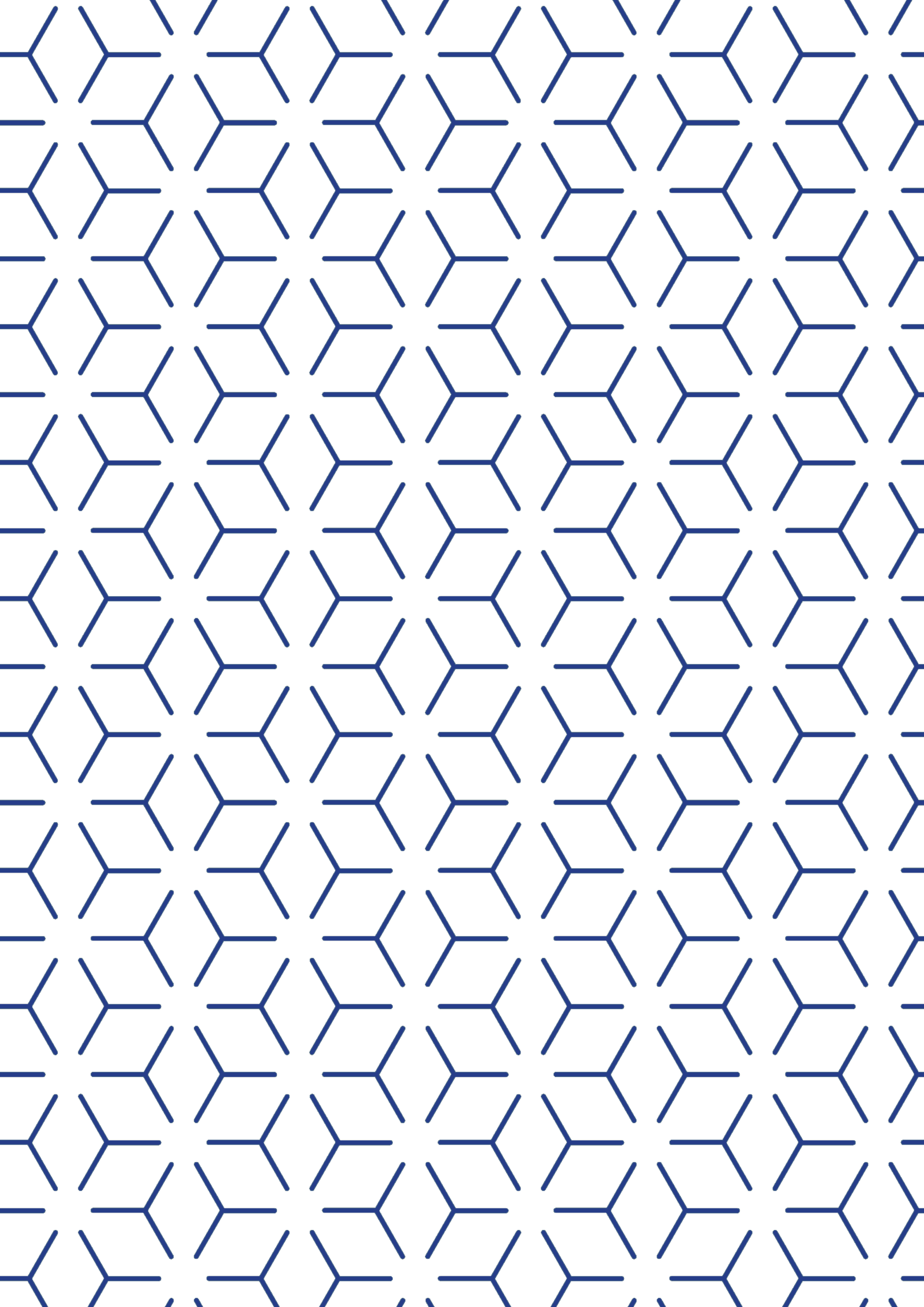
Source: Own elaboration based on NATO information

23 M. Makowska, "IPCEI Gaining Momentum in the Development of European Industry," *PISM Bulletin*, No. 128 (2045), 10 August 2022, https://www.pism.pl.

One attempt to address this challenge is the Defence Readiness Roadmap 2030, which was published in October this year. The document outlines four European flagship initiatives: 1) the European Drone Defence Initiative; 2) the Eastern Flank Watch; 3) the European Air Shield; and 4) the European Space Shield. These are currently broadly defined objectives, and Member States have not yet responded with specific proposals.

At the same time, strengthening defence and deterrence capabilities against Russia will require the EU to coordinate its foreign policy more effectively. Defence cooperation agreements should primarily attract investment into the European arms sector to improve the filling of defence capability gaps in the EU and to build the single defence market. At the same time, this process should reflect common strategic interests and maintain the traditional commitment of key EU partners, such as Canada, South Korea, the UK or the U.S. Without their involvement, the pace of rearmament within the Union will slow down, potentially discouraging some Member States from participating in such a tightly designed single defence market. Consequently, this could result in an overall decline in investment ambitions and reverse the reforms proposed by the Commission.

Graphs, Tables, and Maps



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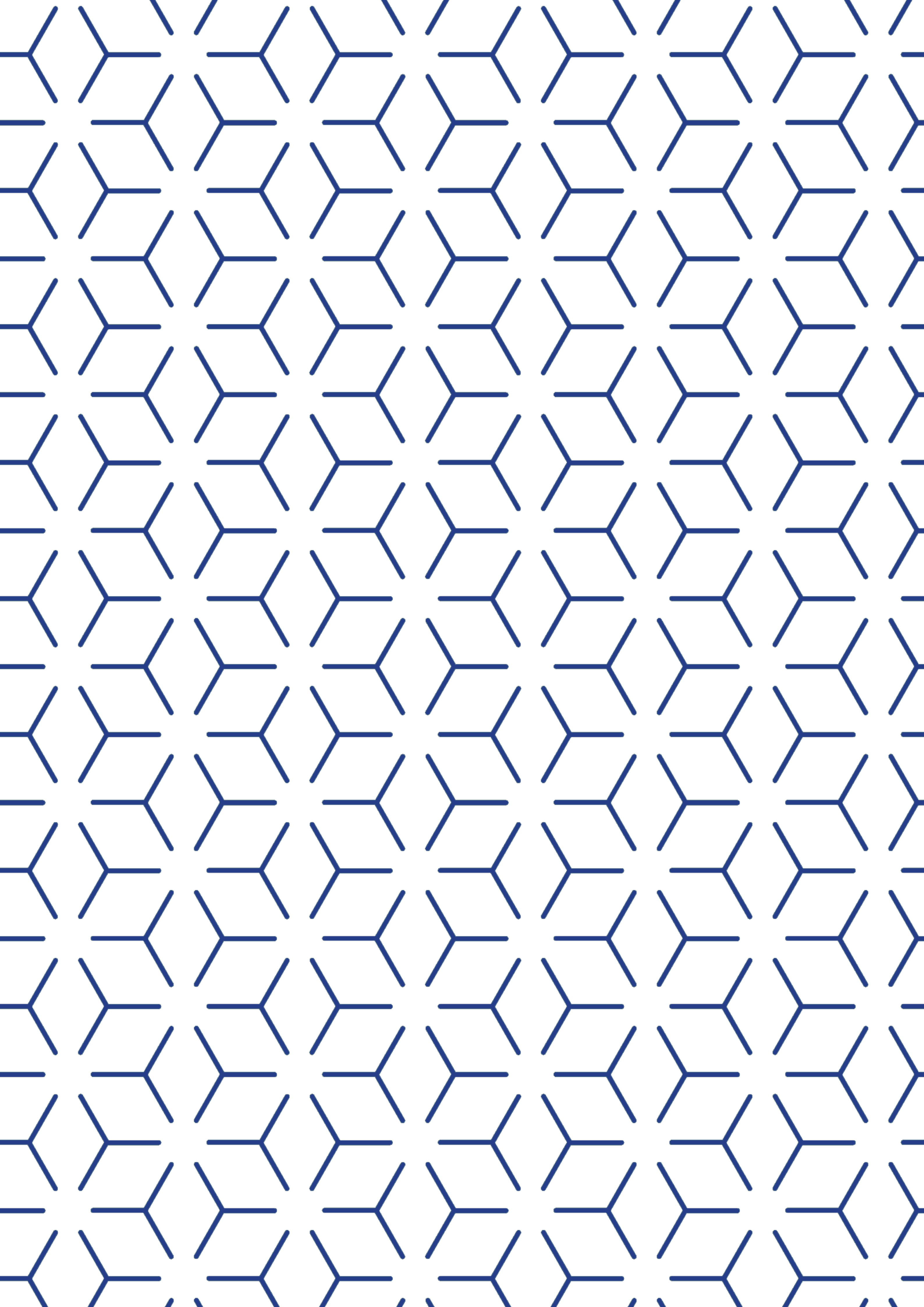

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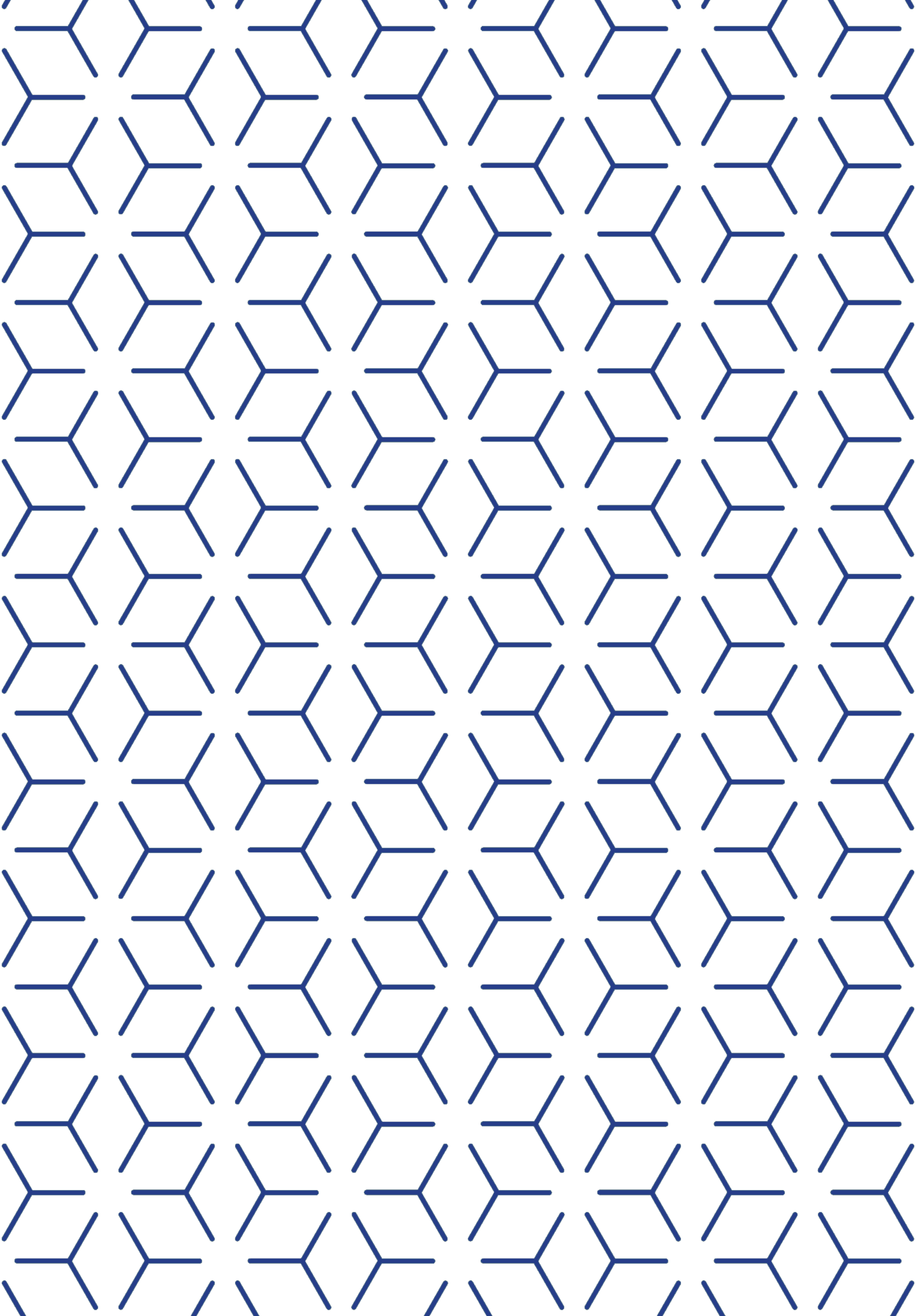
Aleksandra Kozioł is a senior analyst in PISM’s International Security programme. Her work focuses on European security and EU policy, as well as Russia’s domestic and foreign policy. Her research interests also include the Eastern Neighbourhood region and hybrid threats. She holds a PhD in Political Science and a Master’s degree in International Relations and Russian Philology. She has taught at Jagiellonian University and the University of Warsaw. She has also been a visiting researcher at Queen’s University in Canada. She is fluent in English and Russian, and also speaks German and Belarusian.



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ISBN 978-83-68555-11-0