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**ECO/655**

**Defence funding in the EU**

Brussels, 26 February 2025

**RECORD OF THE PROCEEDINGS**
European Economic and Social Committee

**Defence funding in the EU**

(exploratory opinion at the request of the Polish Presidency)

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Meeting of 26 February
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Agenda item 10

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**The president** moved that the Committee turn to agenda item 10 - adoption of an exploratory opinion requested by the Polish Presidency:

*Defence funding in the EU*

The preliminary work had been carried out by the Section for Economic and Monetary Union and Economic and Social Cohesion (president: **Ioannis Vardakastanis**). The rapporteur was **Marcin Nowacki**.

The **Rapporteur** highlighted that the increased attention for EU defence was reflected in a new fully fledged committee in the European Parliament, and a new commissioner´s portfolio. Defence had to be funded through national expenditures, extra budgetary EU financing like the peace facility, and in the future programming period of the Multiannual Financial Framework. Current discussions were mainly focussing on new funding in the context of extrabudgetary financing. Changes had been made in the EIB so that it can provide additional financing, but ESG regulation and ESG reporting made it difficult for public and private banks to finance defence. Europe finally had to invest in its own security, but there was no need to have the same amount of spending throughout Europe. However, should something happen, repercussions would be felt everywhere.

In the ensuing general debate the following members took the floor: **Javier Doz Orrit, Teppo Säkkinen, Luca Jahier, Jack O´Connor, Krzysztof Balon, Carlos Silva and Andris Gobiņš**.

Topics touched upon were: the importance and timeliness of the debate; compliance with NATO spending targets; Russia wanting to impose a new security order; the need for the EU to take on more responsibility of its own defence, as it was no longer possible to count on the USA; the likelihood of an attack on EU territory; the "No first strike" principle and its implications; an escape clause for defence expenditure announced by the Commission president; the merits of an EU defence project; very unequal spending for defence throughout the EU; a 2.5% of GDP spending goal; spending to reach adequate deterrence, but not offensive behaviour; and the compromise wordings that had been reached for the ECO section opinion and that were put in question by amendments.

The Assembly then examined the following amendments to the opinion:

**Point 3.1 - Amendment 1** - tabled by Javier DOZ ORRIT, Jack O'CONNOR, Stefano PALMIERI, Vilim RIBIĆ, Carlos SILVA

Amend as follows:

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| ***Section opinion*** | ***Amendment*** |
|  | ***The latest decisions taken by the US presidency on trade tariffs and peace in Ukraine seriously affect Europe’s interests and security. The EESC considers that, as far as security is concerned, these decisions oblige the EU to establish a common defence policy, in the framework of a common foreign and security policy, and to build a strong European Defence Pillar, and the necessary legislative and financial measures to this end should be taken as a matter of urgency. At the same time, the EU needs to develop an active diplomatic role in the search for a just peace for Ukraine, in close cooperation with its government.*** |

A compromise had been reached on this amendment.

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| ***Section opinion*** | ***Compromise*** |
|  | ***The EESC considers that, as far as security is concerned, the EU should move into a common defence policy, in the framework of a common foreign and security policy, and build a strong European Defence Pillar, and the necessary legislative and financial measures to this end should be taken as a matter of urgency. At the same time, the EU needs to develop an active diplomatic role in the search for a just peace for Ukraine, in close cooperation with its government.*** |

The compromise was accepted by the Assembly.

**Point 3.2 - Amendment 4** - tabled by Reet TEDER, Paulo BARROS VALE, Jörg FRANK VON FÜRSTENWERTH, Vitālijs GAVRILOVS, August MESKER, Andreas PANGL, Bogdan PREDA, Wautier ROBYNS DE SCHNEIDAUER, Emilis RUŽELĖ, Katrīna ZARIŅA

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| ***Section opinion*** | ***Amendment*** |
| In the EESC’s view, tackling the geopolitical risks and threats listed in the previous section and ensuring the security of European citizens require an increase in defence and security spending. The EU security and defence policy should be conducted within the framework of the EU’s foreign policy and the values that shape it: the defence of peace and democracy and of an international order based on respect for the rule of law and international law and the institutions of the United Nations system and the democratic values that define it. Therefore, the development of defence capacity should be ***anchored in a binding legal framework, which precludes pre-emptive declarations of war, attacks or first strikes by any EU Member State against any other country***. | In the EESC’s view, tackling the geopolitical risks and threats listed in the previous section and ensuring the security of European citizens require an increase in defence and security spending. The EU security and defence policy should be conducted within the framework of the EU’s foreign policy and the values that shape it: the defence of peace and democracy and of an international order based on respect for the rule of law and international law and the institutions of the United Nations system and the democratic values that define it. Therefore, the development of defence capacity should be ***always based on these values***. |

The amendment was accepted by 93 votes in favour, 85 against, with 3 abstentions.

**Point 3.5 - Amendment 3** - tabled by Javier DOZ ORRIT, Jack O'CONNOR, Stefano PALMIERI, Vilim RIBIĆ, Carlos SILVA

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| ***Section opinion*** | ***Amendment*** |
| The EESC also underlines ***the importance of*** European NATO members ***committing*** to ***spending at least 2.5% of*** their ***GDP on defence, as part of a robust response*** to ***current geopolitical threats. Member States will retain full sovereignty over their armed forces. This principle forms*** the ***foundation of European defence policy, ensuring that national security priorities align with collective EU and NATO goals***. This commitment not only aligns with NATO guidelines but will also ensure greater financial and strategic contributions to both European and transatlantic security. This dialogue lays the groundwork for a more resilient and responsive defence position across the EU. | The EESC also underlines ***how important it is for*** European NATO members to ***urgently meet*** their ***NATO spending commitments and*** to ***determine what additional funding is needed for*** the ***next 10 years***. This commitment not only aligns with NATO guidelines but will also ensure greater financial and strategic contributions to both European and transatlantic security. This dialogue lays the groundwork for a more resilient and responsive defence position across the EU. |

The amendment was rejected by 102 votes against, with 79 votes in favour and 3 abstentions

**Point 3.24 - Amendment 6** - tabled by Reet TEDER, Paulo BARROS VALE, Jörg FRANK VON FÜRSTENWERTH, Vitālijs GAVRILOVS, August MESKER, Andreas PANGL, Bogdan PREDA, Wautier ROBYNS DE SCHNEIDAUER, Emilis RUŽELĖ, Katrīna ZARIŅA

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| ***Section opinion*** | ***Amendment*** |
| The Committee calls for efforts to step up EU defence capabilities ***within the current limitations imposed by*** the Treaty***, which restricts the use of the EU budget for defence purposes***. Finding practical solutions within these constraints is essential for addressing shared security priorities while maintaining alignment with the EU’s fundamental principles. | The Committee calls for efforts to step up EU defence capabilities ***in*** ***accordance with*** the Treaty. Finding practical solutions within these constraints is essential for addressing shared security priorities while maintaining alignment with the EU’s fundamental principles. |

The amendment was accepted by 115 votes in favour, 75 against, with 5 abstentions

**Point 1.2 - Amendment 5** - tabled by Reet TEDER, Paulo BARROS VALE, Jörg FRANK VON FÜRSTENWERTH, Vitālijs GAVRILOVS, August MESKER, Andreas PANGL, Bogdan PREDA, Wautier ROBYNS DE SCHNEIDAUER, Emilis RUŽELĖ, Katrīna ZARIŅA

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| ***Section opinion*** | ***Amendment*** |
| The EU must clearly define its defence policy objectives and strengthen the European pillar of defence, which must link its resources and operational capabilities with NATO. Defence policy is part of the EU’s foreign and security policy, which must promote peace, democracy and human rights on our continent and its geographical environment and in the world, and defend the multilateral institutions of the UN system. Therefore, the development of defence capacity should be ***anchored in a binding legal framework, which precludes pre-emptive declarations of war, attacks or first strikes by any EU Member State against any other country***. | The EU must clearly define its defence policy objectives and strengthen the European pillar of defence, which must link its resources and operational capabilities with NATO. Defence policy is part of the EU’s foreign and security policy, which must promote peace, democracy and human rights on our continent and its geographical environment and in the world, and defend the multilateral institutions of the UN system. Therefore, the development of defence capacity should be ***always based on these values***. |

This amendment derives directly from amendment 4 and was thus considered accepted, without voting.

**Point 1.3 - Amendment 7** - tabled by Reet TEDER, Paulo BARROS VALE, Jörg FRANK VON FÜRSTENWERTH, Vitālijs GAVRILOVS, August MESKER, Andreas PANGL, Bogdan PREDA, Wautier ROBYNS DE SCHNEIDAUER, Emilis RUŽELĖ, Katrīna ZARIŅA

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| ***Section opinion*** | ***Amendment*** |
| The Committee emphasises the need to find ways to step up EU defence capabilities ***within the current limitations imposed by*** the Treaty ***that limit the use of the EU budget for defence purposes***. This is essential for addressing shared security priorities while maintaining alignment with the EU’s principles. | The Committee emphasises the need to find ways to step up EU defence capabilities***, in accordance with*** the Treaty. This is essential for addressing shared security priorities while maintaining alignment with the EU’s principles. |

This amendment derives directly from amendment 6 and was thus considered accepted, without voting.

**Point 1.10 - Amendment 8** - tabled by Reet TEDER, Paulo BARROS VALE, Jörg FRANK VON  FÜRSTENWERTH, Vitālijs GAVRILOVS, Andreas PANGL, Bogdan PREDA, Wautier ROBYNS DE SCHNEIDAUER, Emilis RUŽELĖ, Katrīna ZARIŅA

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| ***Section opinion*** | ***Amendment*** |
| Defence funding should prioritise support for the EU countries on the external borders that are most directly impacted by regional conflicts on the condition that they strictly observe the ***‘no first strike’ principle***. In this way, enhanced defence capabilities in these regions will contribute to overall EU security and ensure a coordinated response to evolving threats along the Union’s borders. | Defence funding should prioritise support for the EU countries on the external borders that are most directly impacted by regional conflicts on the condition that they strictly observe the ***collective EU and NATO goals and principles***. In this way, enhanced defence capabilities in these regions will contribute to overall EU security and ensure a coordinated response to evolving threats along the Union’s borders. |

The amendment was accepted by 106 votes in favour, 79 against, with 10 abstentions

**Point 1.14 - Amendment 2** - tabled by Javier DOZ ORRIT, Jack O'CONNOR, Stefano PALMIERI, Vilim RIBIĆ, Carlos SILVA

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| ***Section opinion*** | ***Amendment*** |
|  | ***The extreme seriousness of the geopolitical threats that Europe is experiencing oblige the EU to establish a common defence policy, in the framework of a common foreign and security policy, to build a strong European Defence Pillar and to take the necessary legislative and financial measures to that end. The EU also needs to play an active diplomatic role to achieve a just peace in Ukraine.*** |

The amendment was accepted by the rapporteur and by the Assembly.

The opinion thus amended was put to the vote and adopted by 138 votes in favour, 49 against, with 8 abstentions.

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