



Watershed moment?
A guide to EU defence policy after
Russia's invasion of Ukraine

By Eleanor Doorley



[Introduction](#)

Russia's invasion of Ukraine in February 2022 has fuelled record-high inflation and an energy crisis in Europe. But it has also succeeded in spurring the EU to boost military spending and address defence capability gaps and cooperation in a way that previous conflicts have failed to do. That included financing the supply of weapons for a non-EU member state for the first time, a move European Commission President Ursula von der Leyen called a "[watershed moment](#)". In another shift in approach, European defence ministers in August signalled their support for an EU mission to train Ukraine's military. The adoption of the [Strategic Compass plan for strengthening the EU's security and defence policy by 2030](#) is another indication that the bloc is more determined than ever for Europe to become a more assertive global power.

However, the EU is decidedly late to the party. The pre-eminence of NATO in protecting European security, and the fact that military matters remain the preserve of national governments, means the EU's approach to defence has long been characterised by a wide gap between rhetoric and action. The Commission has calculated that since the Russian offensive began, EU member states have announced increases to their defence budgets totalling some [€200 billion](#) for the coming years. But it has also acknowledged that while the EU's combined defence spending increased by 20 percent between 1999 and 2021, it rose 66 percent in the US, 292 percent in Russia and 592 percent in China during the same period.

This Dods EU Political Intelligence report examines how EU defence policy has shifted in the six months since Russia launched its invasion of Ukraine, including its immediate response, and ongoing initiatives and next steps to strengthen and better coordinate Europe's military capabilities.

[The Immediate Response](#)

Just a few days after the start of the Russian invasion, the EU announced it would provide Ukraine with €500 million from the European Peace Facility (EPF) to "[finance the provision of equipment and supplies to the Ukrainian Armed Forces, including - for the first time - lethal equipment](#)". The [EPF](#) is an off-budget fund designed to help finance external actions of a military or defence nature to prevent conflict, preserve peace and strengthen international security and stability. Agreed in late 2020, the instrument has a €5 billion budget for the 2021-2027 period, financed through annual contributions from EU member states. The EPF was used for the delivery of emergency financial assistance to Ukraine following a proposal by the EU High Representative for Foreign Affairs, Josep Borrell, and the European Council's adoption of two assistance measures:

[Decision \(CFSP\) 2022/338](#) for equipment designed to deliver lethal force and [Decision \(CFSP\) 2022/339](#) for non-lethal support.

In the months since February, the EU has announced a further four tranches of funding for Ukraine through the EPF, bringing the total support to [€2.5 billion](#) in July. However, the use of half the EPF's seven-year budget in just a few months has raised questions about how the EU will fund the provision of further military equipment to Ukraine if the war drags on. The EPF funding has complemented an unprecedented range of economic sanctions on Russian individuals, businesses and the imports of goods, and humanitarian support for Ukrainians fleeing the conflict.

The EU's military support for Ukraine came as several member states boosted their own military budgets, notably Germany, which had long resisted calls from the US to increase its defence spending to 2 percent of its economic output in line with NATO guidelines. On February 27, just three days after the invasion began, Chancellor Olaf Scholz pledged to boost German defence spending by an additional €100 billion. "From now on, more than 2 percent of our GDP will be invested in our defence," he told the Bundestag. Germany has also sent weapons to Ukraine and has halted the Nord Stream 2 gas pipeline from Russia after facing criticism that it was slow to provide support and had not been firm enough with Moscow in the past.

In addition to Germany, reports suggest Slovakia, Slovenia, Latvia, Finland and Romania have indicated that they intend to spend at least 2 percent of GDP on defence by 2023, while the Czech Republic and the Netherlands have said they aim to hit the NATO target by 2024. The war in Ukraine and subsequent national commitments to increase defence spending have helped boost the share prices of a range of European firms in the sector, such as BAE Systems, Thales, Rheinmetall, and Leonardo.

Some analysts have pointed out that Russia's invasion of Ukraine conflict has managed to unite EU member states in a way that previous conflicts, from war in former Yugoslavia to the annexation of Crimea, failed to do. "Strategic convergence around a shared risk assessment has been the most elusive aspiration of those pushing for a stronger EU in global politics. The invasion of Ukraine has finally put the member states on the same page," Rosa Balfour, director of Carnegie Europe, [wrote](#) in March. However, a [survey](#) by the European Council on Foreign Relations (ECFR) think tank published in June has suggested that diverging public preferences could weaken Europe's political response to the invasion of Ukraine. "The key will be to present arms deliveries and sanctions as part of a defensive war," it said. [Others](#) have noted that the EU may need to come up with some innovative solutions to encourage member states to continue to

spend more on defence if it also pushes for fiscal consolidation in the wake of the Covid-19 crisis and the Ukraine war.

[Ongoing Initiatives and Next Steps](#)

The EU has announced a range of initiatives which aim to strengthen and improve coordination on military spending and capabilities.

The European Defence Capability Consortia

The EU Commission has singled out security and defence as a key priority for the autumn legislative season. To address the EU's defence investment gaps, the Commission is expected to propose a European Defence Investment Programme (EDIP) regulation, which will establish the conditions for member states to form the European Defence Capability Consortia (EDCC). The EDCC will enable participating member states to jointly procure and deploy defence capabilities developed within the EU. The Commission is also developing a new plan for military mobility and an EU cyber defence policy.

Research and Development

Member states have [said](#) they plan to invest more in R&D in the field of security and defence to stock the next generation's defence inventories, from drones to artificial intelligence.

Defence Investment Gaps

The Joint Communication on [Defence Investment Gaps](#), published on May 18, 2022, provides an analysis of Europe's defence capabilities in light of Russia's invasion of Ukraine. It also calls on member states to increase their defence spending to strengthen the bloc's deterrence against the threats of potential adversaries. The Communication follows a request by EU leaders at a Council meeting in [Versailles](#) at the beginning of March 2022, which [invited](#) the Commission and the European Defence Agency (EDA) "to put forward an analysis of the defence investment gaps by mid-May and to propose any further initiative necessary to strengthen the European defence industrial and technological base".

"Our defence investment gaps analysis shows the need to reverse years of underinvestment and spend more on #EUDefence in a coordinated way," Borrell [tweeted](#) on the day of the presentation.

According to the [Commission](#), the "Joint Communication presents a new level of ambition to build a stronger Europe in defence", focusing specifically on the joint acquisition of military equipment, strategic defence programming, and the support given to Europe's industrial base. It acknowledges that Russia's

aggression against Ukraine has had a significant impact on European defence and considers the way forward in the context of a changing geopolitical climate.

The Commission and the High Representative focus on three categories of gaps:

1. Defence expenditure

The Communication acknowledges that while the war in Ukraine has served as a definite catalyst for increases in defence spending, there is still considerable room for further action if the EU is to rival its global competitors.

2. Defence industrial gaps

The Joint Communication highlights the extent to which the defence industry is in need of modernisation, arguing that if defence cooperation is to be achieved in Europe, there needs to be “a solid action plan that provides clarity and visibility for the defence industry to invest, modernise and ramp-up EU defence manufacturing capacity, while also enabling it to anticipate and address potential supply chain bottlenecks and ensure EU security of supply on defence capabilities”. The fact that defence industries remain structured along national borders provides an additional challenge.

3. Capability gaps

The Commission highlights three urgent priorities: replenishing stockpiles, replacing Soviet-era legacy systems, and reinforcing air and missile defence systems. Beyond these urgent capability gaps, the Commission and the High Representative also aim to work on several specific strategic medium- to long-term capabilities in air, land, maritime, space and cyber defence.

In terms of specific actions, the Joint Communication sets out a series of measures to strengthen European defence demand through joint procurement and reinforce supply through measures targeting support to industrial manufacturing capacities.

In the immediate term, the Commission and the High Representative aim to establish a Defence Joint Procurement Task Force which will support member states with their short-term procurement needs. The Task Force will also establish an aggregate estimate of needs, and map and support the expansion of the EU industrial manufacturing capacities required to help facilitate coordination on military assistance to Ukraine.

In the short-term, the Commission has said it will propose an EU instrument to reinforce defence industrial capabilities through fast-track adoption. It will be used to help member states fill the most urgent and critical gaps in a collaborative way, based on the work of the Task Force. The Joint Communication highlights the Commission’s readiness to invest €500 million between 2022 and 2024 to help facilitate this fast-track adoption. The Commission has said that without

coordination and cooperation, increased defence spending by member states could deepen the fragmentation of the European defence sector.

To reinforce Europe's defence capacity, the Commission has also proposed the following:

- Carry out an in-depth mapping of industrial manufacturing capabilities in cooperation with the EDA
- Propose a [Critical Raw Materials](#) (CRMs) initiative to facilitate the defence industry's access to Critical Raw Materials (CRMs), thereby strengthening the EU's resilience and security of supply
- Ensure the availability of defence specific skills for a ramp-up of industrial capacities
- Consider possible amendments to the framework for dual-use research and innovation
- Support critical technologies and industrial capacities by developing strategic projects through existing EU instruments and EIB loans
- Strengthen the budgets of the European Defence Fund and military mobility through the Connecting Europe Facility
- Speed up the establishment of the [CASSINI](#) Facility for defence to attract new entrants and support defence innovation.

EU Military Assistance Mission for Ukraine

At an [informal meeting](#) in Prague on August 29-30, EU defence ministers signalled another shift in approach by voicing unanimous support for establishing a European Union Military Assistance Mission for Ukraine to help train the country's forces. Ukraine had requested EU help to train its armed forces before Russia launched its invasion, but a mission proposed by the European External Action Service (EEAS) was rejected by Germany, Italy, Greece, and Cyprus over fears it could escalate tensions with Moscow. The EU mission promises to complement the training already provided by some individual member states, which has mostly focused on the operation of weapon systems they have supplied the country's military. Joining the meeting via videoconference, Ukrainian Defence Minister Oleksii Reznikov, presented the EU defence ministers with a list of training activities that Ukraine's forces would likely need. The EU mission is planned to begin this autumn, with first aid, mine clearance and sniper training included in the list of possible training activities.

"As the war in the East of Europe continues, we need to respond to those needs. We have unanimously agreed that the European Union is united on the issue of supporting Ukraine. The member states continue to stand ready to provide support as long as needed," said Borrell, who chaired the meeting in Prague.



There is little doubt Russia's invasion has added a new level of urgency to the EU's defence and security efforts. But time will tell whether the bloc can marshal the political will and financing required to realise its ambition to be a more forceful and assertive defence actor on the global stage.

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