



In collaboration with ESCP, Sorbonne Nouvelle and Inalco



ESCP
BUSINESS SCHOOL

Sorbonne Nouvelle
université des cultures

институт
национален
документи
и цивилизации
inalco
Institut national
des documents
et civilisations orientales

Europe and the war in Ukraine – Policy papers 2/1, 2025

The development of European armament cooperation between intergovernmental cooperation and community method

Arnould, Claude-France *

Brussels Institute for Geopolitics

Abstract

This paper offers recommendations to advance the Europeanisation of the defence industry and its independence, stressing the need to prioritise European cooperation over national solutions or reliance on US armaments. It calls for using the EU's framework while keeping participation open to key partners such as the UK (and potentially Canada or Turkey). The author advocates governance led by member States—with strategic direction from heads of State and defence ministers, implementation by the EDA under a dedicated high-level defence figure, and regular political oversight—while seeking full synergy with all relevant EU instruments managed by the Commission (budget, regulation, research) and integrating major armament programmes into this cooperative structure.

Keywords: defence capabilities; European cooperation; independence; intergovernmental; EDA.

* Claude-France Arnould is Senior Fellow for European Defence at the Brussels Institute for Geopolitics. She was Executive Director of the European Defence Agency (2011–15), before serving as France's Ambassador to Belgium (2015–19).

The development of European armament cooperation between intergovernmental cooperation and community method

Relying on a solid, efficient and independent defence industry is at the core of Europe's ability to respond to threats and to honour its commitments. The Russian aggression against Ukraine, its hostile posture towards Europe, and the wider dangers stemming from today's global disorder and rising tension have at last led the Europeans to acknowledge the imperative of rearmament. Meanwhile, the Americans have made brutally clear that their support – on which most European nations have long relied – is further than ever from being guaranteed. On the contrary, it is uncertain, conditional and subject to bargaining.

On the need for Europe to be ready for combat and invest accordingly, there is consensus, as reflected in the targets agreed at the NATO summit in The Hague, even if it happened largely under American pressure. However, consensus on the need to rearm Europe does not automatically imply the Europeanisation of the defence industry.

1. The risks of alternative choices

1.1 Persistent reliance on the US: the illusion of protection through buying American at the cost of independence.

Firstly, the need for a "European technological and industrial base", that would reduce our dependence from the United States is far from being unanimously accepted. Undoubtedly, the events in Ukraine have revealed the dire consequences of dependence – not only from decisions of the American administration, but also from the unpredictable moves of individuals such as Elon Musk, who suddenly deprived Ukraine from satellite communication. Still, recognition of the vital importance of independence – or what the British prefer to call "freedom of action", is often counterbalanced by submission to American pressure and by the desperate illusion that ensuring military protection and commercial peace can be achieved through purchasing American weapons. The trade arrangements "negotiated" by the President of the Commission with Donald Trump confirm this trend. The blackmail conditioning defence support to commercial and financial concessions to America will be reinforced by the decision taken at the NATO summit to aim for 5% of GDP in defence spending. Allies failing to comply – probably most of them – will strive for "forgiveness" by "buying American". This has always been the flaw of NATO defence planning, which has contributed heavily to Europe's present disarmament: ambitious targets are agreed, but non-compliance is compensated by contracts for the US.

Why insist on a European defence industry when buying American equipment reinforces the transatlantic solidarity -meaning the American protection? Advocates of this view minimise the risks and argue that procuring American equipment implies the presence on the ground of American experts, whose security would be ensured by Washington. The same logic was used to welcome the leonine agreement on raw materials accepted by President Zelensky. More credibly, they argue that, through local content and technology transfers, jobs and business opportunities are created.

Even so, nobody can deny the problems of security of supply and “freedom of action “when operating American weapons, updating systems and data, or adapting them to operational requirements in theatres of war. Though widely acknowledged as real concerns, these problems are brushed aside by the belief that it is mitigated by localisation, technology transfers and the liberty that would be taken in case of necessity at national level or on the theatre – a risky gamble.

1.2. Distrust among Europeans

It is also true that not everyone is fully convinced that European cooperation guarantees sovereignty and security of supply: central European countries are reluctant to exchange dependence from the Americans for dependence from the French or the Germans. This must be addressed seriously. Trust can only be built through solid confidence-building developments and reliable processes.

Those advocating a European “sovereign” technological and industrial base must demonstrate that it can benefit all European actors and ensure genuine autonomy as well as fair economic return. The issue is politically straightforward but complex when it comes to “technicalities” such as international treaties obligations, export controls, protection of intellectual property, to mention a few.

2. The merits of “Europeanisation” within the EU, provided the governance is appropriate.

2.1. Use the EU framework while acknowledging the primary role of national governments.

Ramping up the European defence industry within a European framework, with a certain degree of “institutionalisation”, can reassure smaller players against domination by the “big” ones, while also enabling more efficient use of all our policy instruments. European cooperation has been the stated ambition for more than a decade, reiterated strongly in recent European Council conclusions, including those on the 23 October. Nevertheless, a European policy also serves the interests of bigger players, who – despite their often-outstanding achievements – are not strong enough on the world stage, cannot rely on a real “European market” and are dependent from national budgets. This is all the more problematic when high ambitions for defence collide with budgetary scarcity and political uncertainty.

Everyone welcomes additional funding on the EU budget, but it remains marginal compared to national budgets even if it is increased in the next Multiannual Financial Framework. When the Commission President announced her proposals to reach €800 billion for defence, it was clear that the bulk of the effort would come from Member States, with EU policies playing an enabling role, particularly through greater flexibility in the Stability Pact. Only €150 additional billion loans will be available under the SAFE program, on top of the current funds for defence and space.

The reality of European cooperation – even if it is supported and incentivised through EU measures- will ultimately depend from the decisions of national governments and private companies. Action on their part, not rhetoric or lip service, is required. The rise in national defence budgets, especially in major Member States such as Germany, if oriented towards

cooperation, may foster common acquisitions, joint programs and research – not forgetting training, maintenance, tests and certification as well as opportunities for “pooling and sharing”. This could be an historic game-changer.

But massive financial resource might also encourage unilateral approaches, cavalier seul or Alleingang, where national money would mainly fund national industry. Parliaments and companies will exert strong pressure in this direction.

To avoid such risks and promote efficient cooperation, the solution is not primarily to increase the EU’s defence budget and expand various mechanisms. National budgets will remain the main vehicle for European rearmament. Two factors are key to success: first, incentives to counter the natural tendency towards national or bilateral and “non-institutional” solutions; and, second, proper governance for defence policy.

2.2. Resist to the temptation of discarding EU instruments and use their potential.

The reasons for using the EU framework are manifold. Firstly, an *acquis* exists. Regarding armaments, the actions initiated by the Commission have already produced results, whether under the European Defence Fund, or, more recently, based on the instruments implemented in response to Russia’s attack on Ukraine. These measures were instrumental in ramping up ammunition production for Ukraine, replenishing national stockpiles and addressing some bottlenecks. They also aim at fostering common procurement and cooperation, in line with the recent White book, following the Strategic compass agreed during the French Presidency. The role of the Peace Facility, financed through direct contributions from Member States, has been significant in providing military equipment to Ukraine as well as the joint procurement contracts for ammunition prepared by the European Defence Agency. However, this *acquis*, which is often ignored or underestimated, remains far below the potential of the EU’s instruments.

The EDA has been created to implement an ambitious policy. The Lisbon treaty (a.42 and 45) designating it as “the Agency in the field of defence capabilities development, research, acquisition and armaments (hereinafter referred to as “the European defence Agency”)” enumerates its missions. It acts under the authority of the Council. The strategic orientations, for EDA as well as for the whole of European defence policy are given by the European Council which is increasingly focusing on defence issues. Under the direction of the board of Defence ministers, the agency’s competencies match precisely what is now required. As an agency of the Council, within the European Union, it can -and must- cooperate with other EU bodies, essentially the Commission and to a lesser extent the External Action Service and the European Investment Bank. Its budget, because it is funded by annual contributions from Member-States is subject to strict constraints, but there is no obstacle to transferring credits from the EU budget for specific programmes, provided accountability rules are respected.

The synergies within the EU extend beyond funding. They should include the consideration of defence needs in EU regulations, and incentives such as VAT exemption for programmes or procurement in cooperation (a derogation already valid in NATO for NSPA, the procurement Agency in Luxembourg). The EU should create a European equivalent of the American Foreign Military Sales Programme (FMS) to support government-to-government purchases and

cooperation. EU bodies could procure themselves and operate equipment developed in a cooperative approach, such as drones, to empower policies be it border surveillance, protection of critical infrastructures, maritime security, civil protection or humanitarian action. All these ideas have been proposed years ago. It is time to act.

Above all, however, significant programmes are needed. They would make the difference, change perceptions, secure the buy-in of industry, of the military, and even of public opinion while also earning the respect of both allies and adversaries. Such programmes should focus on high-technology sectors where dependence could prove fatal: space, cyber, AI, etc. Managed in a multilateral framework, they could be “ring-fenced” and less vulnerable to political turbulence in capitals.

3. Adopt a flexible and realistic approach to address format and governance concerns.

Doubts regarding the EU’s relevance in defence cannot be overlooked.

3.1. Format

The question of the appropriate format for cooperation is increasingly central. The EU involves “too many” participants – not to mention 35 or more Member States in the future – and “not all those which would be relevant”. This obstacle could have been avoided. Opportunities offered by the Lisbon Treaty have been wasted: The Permanent Structured Cooperation (PESCO) was meant to bring together “those who can and will”, an objective akin to today’s “coalition of the willing”. Regrettably, it was implemented in a so-called “inclusive” spirit, all but one Member State participating, which has made it largely irrelevant.

Including significant non-EU partners is desirable. Special arrangements already exist, for instance with Norway, and could be extended -and strengthened- with important allies such as the UK (a member of OCCAR¹, the intergovernmental organisation located in Bonn for programme management), Turkey and even, beyond Europe, Canada.

The convenient political consensus on conceiving “European Defence” as the “European pillar of NATO” reflects the wish to ensure cooperation with these partners, while maintaining the transatlantic link. Yet this approach risks relegating EU policy instruments to a – mainly – funding role under NATO primacy. For military capabilities, this would mean financing the outcome of NATO Defence Planning through the EU budget, as advocated by Commissioner Kubilius. Most Member States are allies and – to repeat the leitmotiv – “we have a single set of forces”. Why “duplicate” defence planning processes? The answer is straightforward: because European interest, including autonomy and industrial benefits, is not NATO’s primary goal. President Trump illustrates this every day with his peculiar eloquence. Moreover, greater responsiveness and agility are required. The challenge of addressing “cheap” drone swarms demonstrates NATO defence planning shortcomings.

¹ OCCAR (Organisation for Joint Armament Cooperation), established in 1996, is responsible for managing collaborative armament programmes. Its headquarters are located in Bonn (Germany). The organisation has six member states—Germany, France, the United Kingdom, Italy, Spain, and Belgium—while additional states may participate in specific programmes.

3.2. Governance

To pursue defence cooperation within the EU framework, governance is critical. The European Defence Agency was created as the instrument of Defence Ministers and their teams (procurement, military planning, research). A defence policy cannot ignore them or place them in a subordinate position to their Foreign Affairs or Economy colleagues. They meet in the EDA's board, which must play a leading role. Its chairmanship by the High Representative for Foreign Affairs and Security Policy, who is also Vice president of the Commission, has been a handicap from the start. The point is totally independent of the profile and personality of the HR. Even if "Foreign and Security Policy" is mentioned in the title, he is essentially in charge of Foreign Policy. In no State does Defence come under the Foreign Minister's remit. The agendas and the pace of action differ, and the technicity is far apart. Current arrangements lead to a situation where Defence ministers are not really chaired at political level, while the HR is placed in an awkward position. The ministers' meetings remain formal, as the HR, -unfamiliar with armament issues that he does not address regularly - cannot allow for serious or difficult discussions, and consequently instructs the Chief executive to prepare a "deconflicted" agenda. With no real stakes, ministers tend to see no reason to devote a day in their demanding schedules to traveling to Brussels. Gradually, some have stopped attending in person.

Yet, they are absolutely needed. Cooperation is mainly a political objective, set by Heads of State and Government; the administrative and industrial levels are generally less committed, for various reasons. Therefore, regular involvement at the political level is required. Additionally, the HR is Vice President of the Commission. At first sight this might seem an excellent idea, ensuring synergy with EU instruments. It is not: the HR is under the authority of the Commission President, a subordination far from insignificant, as shown by the letters that Ursula von der Leyen addressed to Kaja Kallas and to Defence Commissioner Kubilius. She, for instance, sets an objective of a "Defence Union" which has never been endorsed by the European Council. More generally, as a member of the "College of Commissioners", a Vice President is bound by collective decisions, while Defence ministers, -and the Council more broadly- might disagree with some Commission proposals, as has regularly happened. A solution exists. As with the Eurogroup, a defence minister or another personality could be elected by defence ministers to chair the EDA board. It does not require a treaty change, only a modification of the Council decision on the Agency's functioning.

The EU framework is not inadequate for an armament policy, provided that it respects responsibilities at both national and EU levels, and builds upon the respective strengths of the actors involved.

Under the pressure from circumstances, in particular the requirements for action in the context of arrangements for Ukraine, a new momentum has been generated within a "coalition of the willing", led by the UK and France. This format – or part of it – could be compatible with the use of EU instruments, extending the scope of action beyond planning. A "core group", of the "able and willing" – a new incarnation of the "structured cooperation" mentioned above, could drive forward joint procurement directly related to operational needs and programmes, including urgent "crash" initiatives.

Such an approach could cut through institutional complexity and delays, moving forward -even if peace arrangements are uncertain-, and maintaining the personal involvement of the Chiefs of Defence who led the work on security guarantees for Ukraine. They could also demand and specify capabilities for other operational requirements, such as an appropriate response to the drone incursions and to other hybrid threats. The Commission proposed a “drone shield” as a “flag ship”. Effective military competence is required. An ad hoc group within the EDA, associating partners, including Ukraine, could work on such capabilities, without any institutional delay. You could even, on the issue of drones and unsigned attacks to infrastructures and sensitive sites, have different groups to respond to differing geographical and political requirements.

Synergy and coherence should be the objective and speedily deliver concrete results. EU’s assets can be mobilised for rearmament while maximising flexibility, particularly through “variable geometry”.

The modalities of consistency with NATO defence planning should be clarified (including the exchange of classified information, blocked by Turkey because of Cyprus Membership of the EU), as well as the availability and reliability of command, control and communication structures of SHAPE in the event of American non-participation.

Conclusion

To pursue this objective, persistent misconceptions about the EU must be dispelled. The academic community can play an important role in this respect. The EU is no longer the original “Community”, with the executive role of the Commission, the legislative association of the Council and the European Parliament, and the control of the Court of Justice. To encompass foreign, security and defence policy, it has been transformed into the “Union”, since the Maastricht treaty. Within the Union – under title V of the Lisbon Treaty – direction for foreign policy and defence lies with the European Council, the Council and implementation with specific agencies of the Council such as the EDA.

The eminent EU added value is the synergy between the primary governmental competence for defence and the Community instruments. What is often overlooked, is that this intergovernmental cooperation is fully part of the EU, alongside with the Community dimension.

References

- Arnould, C.-F. (2025, September). Able and willing: The core of European defence. Brussels Institute for Geopolitics.
- Arnould, C.-F. (2025, February). Europe’s options to defend itself: Interview with Luuk van Middelaar. Brussels Institute for Geopolitics.
- Faure, S. B. H. (2025, December). Le réarmement des États contre l’Europe. Hérodote.

- Thiériot, J.-L. (2025). Stratégie européenne industrielle de défense. Ministère des Armées (France).
Available at: <https://www.defense.gouv.fr/sites/default/files/ministere-armees/Strat%C3%A9gie%20europ%C3%A9enne%20industrielle%20de%20d%C3%A9fense.pdf>