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Answer given by Mr Kubilius
on behalf of the European Commission
(28.3.2025)

The Commission and the High Representative/Vice President presented the first ever European Defence Industrial Strategy in March 2024. The Strategy was outlining that ‘it is necessary to launch a discussion on quantifying the EU’s financing needs for defence industrial readiness which would be commensurate with this change of the security paradigm, and on how to ensure such adequate financing’¹.

In June 2024, the European Council invited the Commission and the High Representative to present developed options, to be discussed by the Council, for public and private funding to strengthen the defence technological and industrial base and address critical capability gaps.

In this context, the Commission President sent a letter to the European Council on 4 March 2025 presenting the ReArm Europe Plan, including the proposal for a new financial instrument to support Member States in boosting their defence capabilities. This instrument will deliver loans to Member States, borrowing funds based on a guarantee provided by the EU budget.

When it comes to the energy transition and green energy it is important to note that Member States still benefit from the Recovery and Resilience Facility – Next Generation EU, providing grants and loans to help EU economies emerge stronger and more resilient from the Coronavirus crisis, notably by investing in the green transition.

Both the ReArm Europe Plan and the Next Generation EU have been tailored to support Member States in facing exceptional circumstances outside their control while not endangering the financial stability of the EU.

¹ https://ec.europa.eu/commission/presscorner/detail/en%5E/ip_24_1321