

(English version)

Question for written answer E-000874/25
to the Commission
Petra Steger (PfE)
(27 February 2025)

Subject: Proposals by former Commissioner for Economy Paolo Gentiloni on a debt-financed EU Defence Fund and ending the veto on new Eurobonds

Former Commissioner for Economy Paolo Gentiloni has publicly called for the creation of a debt-financed EU Defence Fund. This would constitute a second step after Commission President von der Leyen already announced that Member States would be allowed greater flexibility in debt reduction to increase military spending. Consequently, according to Gentiloni, the existing veto against new Eurobonds should also be reconsidered. However, this mutualisation of debt rewards poorly performing countries at the expense of the few remaining net contributor countries. This creates a completely wrong incentive for the future — ‘bad economic management pays and is rewarded’. Making this madness permanent would mean the economic deathblow for the net contributor states and would be nothing other than a centralist wealth redistribution programme that would undermine national sovereignty and make the debt and transfer union a reality once and for all.

1. What is the Commission’s assessment of Gentiloni’s proposals, in particular with regard to a debt-financed EU Defence Fund and an end to the veto on new Eurobonds?
2. Can the Commission exclude the use of new debt-financed financial instruments, such as a new debt fund, during the current legislative term?
3. What measures does the Commission intend to take to safeguard the national budgetary autonomy of the Member States and to prevent net contributors, such as Austria, from having to pay for the mistakes of states with irresponsible budgetary policies?

Submitted: 27.2.2025

Answer given by Mr Dombrovskis on behalf of the European Commission
(6 May 2025)

As the security architecture Europe has relied on can no longer be taken for granted, we must urgently ramp up our collective expenditure in defence, strengthen our capabilities and take a proactive approach to security.

The Honourable Member is referred to the package of documents on defence adopted on 19 March 2025 which outlines the Commission proposals in this respect.

First, the Commission White Paper provides a framework for the ReArm Europe plan, laying out the case of for a once-in-a-generation surge in European defence investments ⁽¹⁾.

Second, the Commission proposes to unlock flexibility for higher defence expenditure through a coordinated activation of the national escape clause ⁽²⁾ ⁽³⁾. The use of this flexibility is to be monitored by the Commission and Council, while the EU fiscal framework continues to operate.

Third, the package includes a proposal for a Council Regulation establishing the Security Action for Europe (SAFE) through the reinforcement of the European defence industry Instrument ⁽⁴⁾.

Once adopted by the Council, the instrument would provide financial assistance to Member States allowing them to carry out urgent and major public investments in support of the European defence industry.

To finance support under the SAFE instrument in the form of up to EUR 150 billion in loans, the Commission would be empowered, on behalf of the EU, to borrow the necessary funds on the capital markets or from financial institutions.

As the Honourable Member is aware, following up on its conclusions of 6 March 2025 and in the light of the White Paper, the European Council called for an acceleration of work on all strands to decisively ramp up Europe’s defence readiness within the next five years.

⁽¹⁾ Joint White Paper for European Defence Readiness 2030, JOIN(2025)120 final, 19.3.2025.

⁽²⁾ C(2025)2000 final, 19.3.2025.

⁽³⁾ The national escape clause (see Article 26(1) of Regulation (EU) 2024/1263) can be activated (i) in case of exceptional circumstances outside the control of the Member States, (ii) that have a major impact on the public finances of the Member State concerned and (iii) provided that the deviation does not endanger fiscal sustainability over the medium term.

⁽⁴⁾ COM(2025)122 final, 19.3.2025.