



EU unveils defence plan

EU chief *Ursula von der Leyen* has put forward proposals to mobilise up to €800 billion for Europe's rearmament and help provide "immediate" military support for Ukraine after Washington suspended aid

NEW JOINT BORROWING

EU could borrow €150bn against security of EU budget to provide loans to member states for defence investment

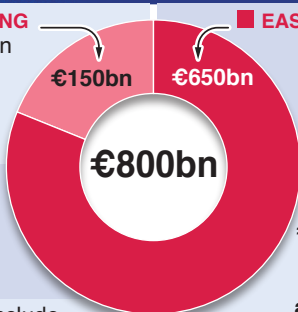
Borrowing could be decided with qualified majority of EU states, so no single country could block it

Projects funded would include pan-European air and missile defence, artillery and drones

MONEY FROM EU BUDGET

Current 2021-27 EU budget of €1.2 trillion has no funds for defence, but around one-third of it is earmarked to equalise standard of living between EU regions

States could be allowed to decide to redirect those "cohesion funds" for defence purposes



EASING SPENDING RULES

EU could relax rules obliging countries to keep public deficits below 3% of GDP to let them ramp up defence spending

Measure could free up €650bn over four years if member states raise defence spending by average of 1.5% of GDP

EU governments could approve such exemption with qualified majority

OTHER PROPOSALS

Expand mandate of *European Investment Bank* to support defence companies and accelerate Savings and Investment Union to attract private financing

