

EU economic governance framework indicators - national co-financing of EU programmes and defence expenditure

Statistics Explained

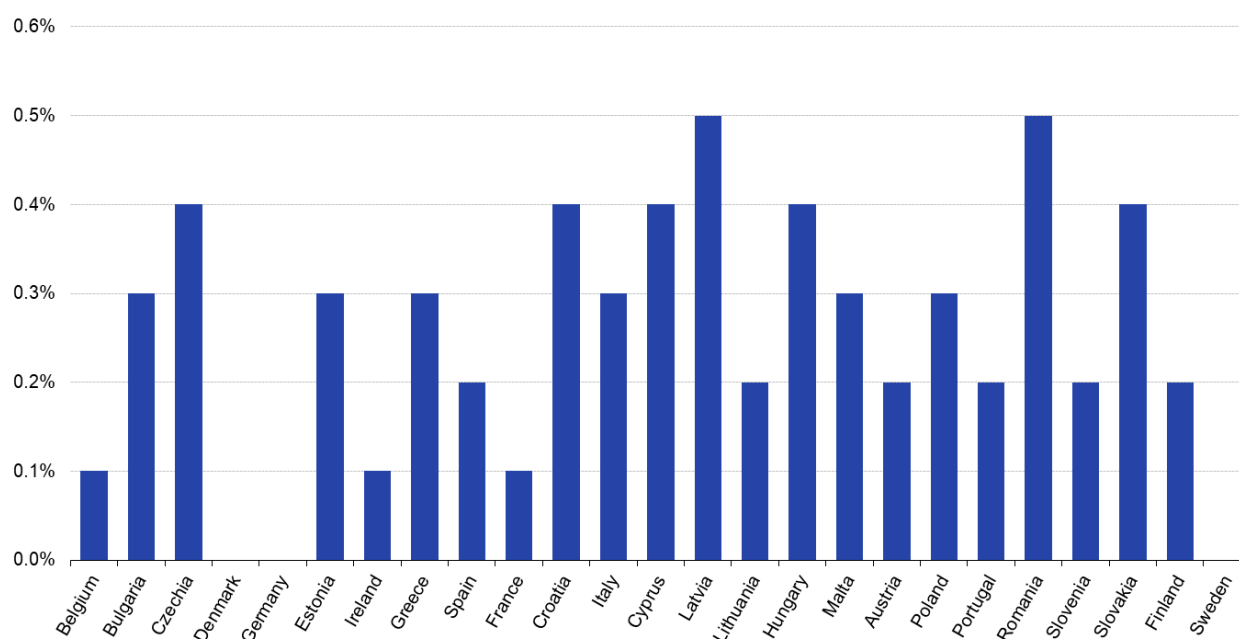
Data extracted in April 2026
Planned article update: 26 October 2026

Highlights

The highest co-financing of EU programmes in 2025 was reported by Romania and Latvia (each 0.5% of GDP).

The highest investment in defence in 2025 was reported by Poland and Estonia (each 1.6% of GDP).

National co-financing of EU programmes in 2025 (in % of GDP)



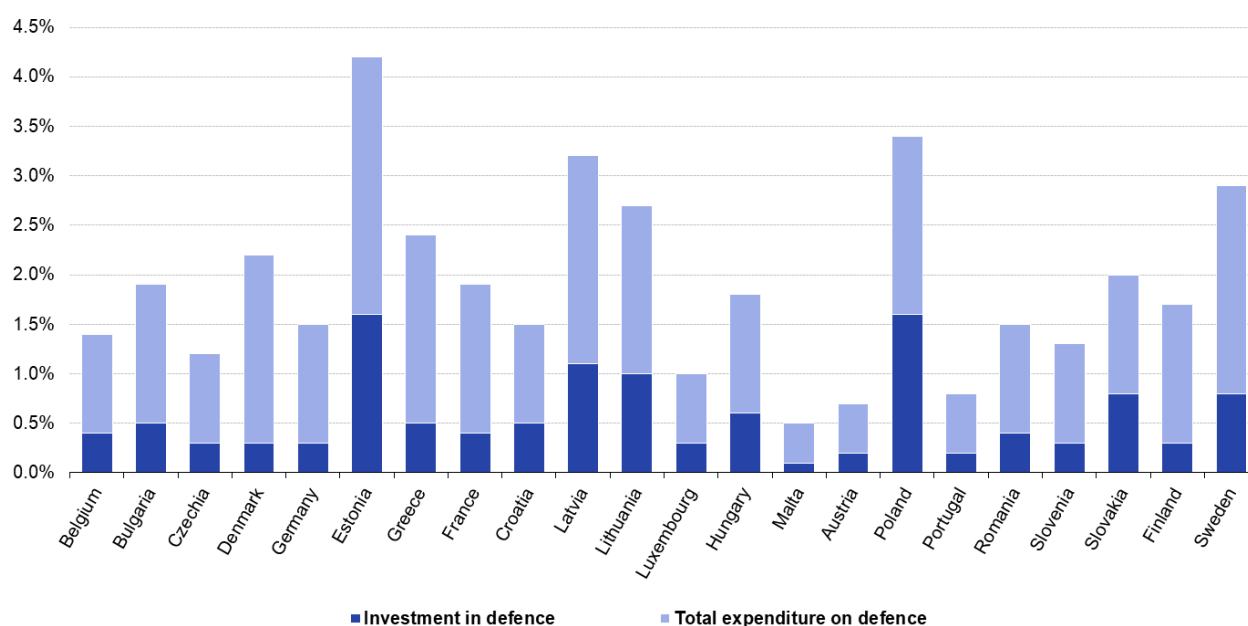
Note:
For Denmark, Germany and Sweden, the national co-financing is below 0.1 % of GDP.
Data for Luxembourg and the Netherlands are not for publication.
Source: Eurostat (online data code: gov_ev)

eurostat 

Figure 1: National co-financing of EU programmes in 2025. Source: Eurostat (gov_ev)

Expenditure on defence in 2025

(in % of GDP)



Note:

Each bar shows the total expenditure on defence, of which the darker shade represents the investments.

Data not available for Ireland, Spain, Italy, Cyprus and the Netherlands.

Source: Eurostat (online data code: gov_ev)

eurostat

Figure 2: Expenditure on defence in 2025. Source: Eurostat (gov_ev)

This article presents 3 indicators in response to the information needs of the new EU economic governance framework, that entered into force in 2025 – national expenditure on co-financing of programmes funded by the EU, total defence expenditure, and investment in defence.

The data are collected by Eurostat in the context of the excessive deficit procedure (EDP) notifications (April and October each year). Table 1 shows the economic governance indicators per EU country, for the period 2022-2025 for the defence expenditure and defence investment, and for the years 2024 and 2025 for the national expenditure on co-financing of programmes funded by the EU.

EU economic governance framework indicators - co-financing and defence expenditure

(in % of GDP)

	National co-financing of EU programmes		Total expenditure on defence							
	2024	2025	2022	2023	2024	2025	of which investment in defence			
			2022	2023	2024	2025	2022	2023	2024	2025
Belgium	0.1	0.1	1.0	0.9	1.2	1.4	0.1	0.1	0.3	0.4
Bulgaria	0.2	0.3	1.5	1.5	1.3	1.9	0.4	0.4	0.1	0.5
Czechia	0.5	0.4	1.0	1.2	1.3	1.2	0.2	0.4	0.4	0.3
Denmark	0.0	0.0	1.2	1.8	1.8	2.2	0.2	0.3	0.2	0.3
Germany	0.0	0.0	1.2	1.2	1.4	1.5	0.2	0.2	0.2	0.3
Estonia	0.2	0.3	2.2	3.1	3.7	4.2	0.7	1.4	1.6	1.6
Ireland	0.1	0.1	0.2	0.2	0.1	:	0.0	0.1	0.0	0.0
Greece	0.3	0.3	2.6	2.3	2.2	2.4	0.5	0.4	0.2	0.5
Spain	0.2	0.2	1.1	0.9	0.9	:	0.4	0.2	0.2	0.3
France	0.1	0.1	1.8	1.8	1.8	1.9	0.3	0.3	0.3	0.4
Croatia	0.3	0.4	1.0	1.3	1.5	1.5	0.2	0.4	0.5	0.5
Italy	0.1	0.3	:	:	:	:	0.3	0.3	0.4	0.4
Cyprus	0.3	0.4	:	:	:	:	0.2	0.6	0.6	0.6
Latvia	0.3	0.5	2.4	2.6	2.7	3.2	0.4	0.7	0.9	1.1
Lithuania	0.2	0.2	1.5	2.2	2.5	2.7	0.4	0.9	1.0	1.0
Luxembourg	N	N	0.5	0.5	0.7	1.0	0.1	0.0	0.1	0.3
Hungary	0.2	0.4	1.4	1.7	2.0	1.8	0.3	0.6	0.7	0.6
Malta	0.1	0.3	0.5	0.4	0.5	0.5	0.1	0.1	0.1	0.1
Netherlands	N	N	1.3	1.4	1.6	:	0.2	0.2	0.2	0.3
Austria	0.2	0.2	0.6	0.6	0.7	0.7	0.1	0.1	0.1	0.2
Poland	0.3	0.3	1.7	2.2	2.9	3.4	0.1	0.7	1.1	1.6
Portugal	0.2	0.2	0.8	0.8	0.9	0.8	0.1	0.1	0.2	0.2
Romania	0.5	0.5	1.4	1.2	1.6	1.5	0.4	0.3	0.4	0.4
Slovenia	0.2	0.2	1.1	1.2	1.4	1.3	0.1	0.4	0.4	0.3
Slovakia	0.4	0.4	1.0	1.2	1.4	2.0	-0.1	-1.0	0.2	0.8
Finland	0.2	0.2	1.2	1.4	1.5	1.7	0.2	0.1	0.1	0.3
Sweden	0.0	0.0	1.7	1.8	2.0	2.9	0.4	0.4	0.5	0.8

(:) data not available

(N) not for publication

For Denmark, Germany and Sweden, the national co-financing is below 0.1 % of GDP.

Source: Eurostat (online data code: gov_ev)

eurostat 

Table 1: EU economic governance framework indicators - co-financing and expenditure on defence. Source: Eurostat (gov_ev)

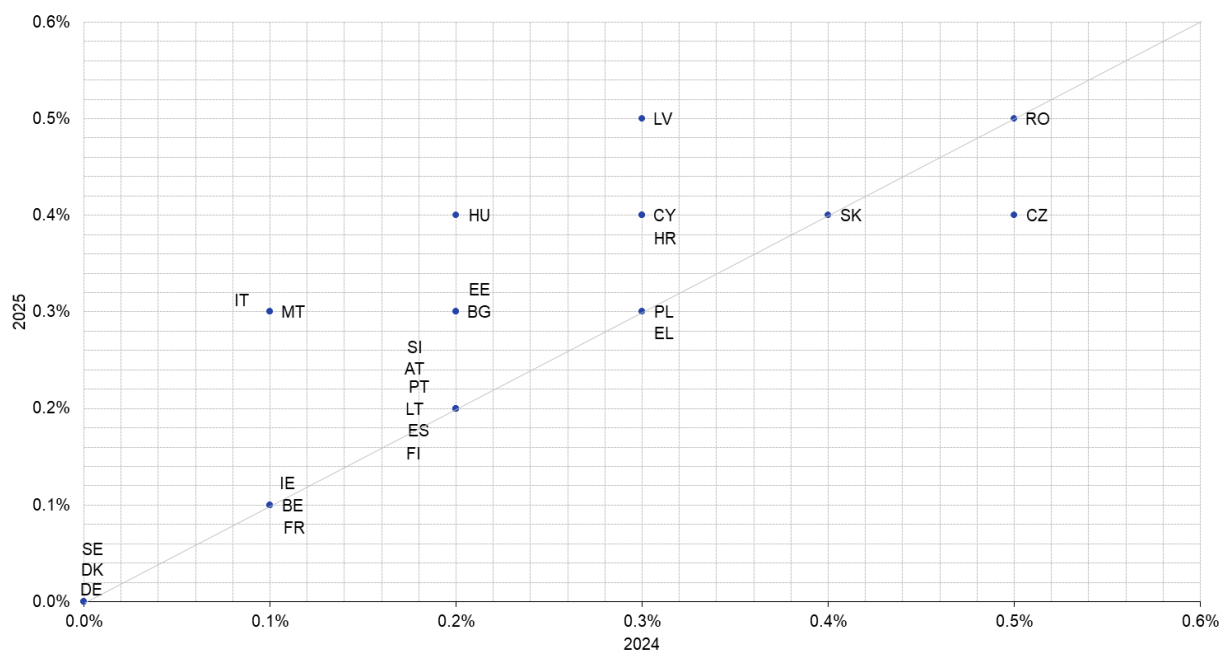
Data not available are marked ":" in the table. This applies to total defence expenditure for Ireland, Spain, Italy, Cyprus and the Netherlands.

The CBS Netherlands and Statec Luxembourg consider that their national data on national co-financing are not for publication; marked "N" in Table 1.

National expenditure on co-financing of programmes funded by the EU

In the new EU economic governance framework, national expenditure on co-financing of programmes funded by the EU is one of the elements taken into account when compiling the net expenditure indicator.

National co-financing of EU programmes, 2024 and 2025 (in % of GDP)



Note:
For Denmark, Germany and Sweden, the national co-financing is below 0.1 % of GDP.
Data for Luxembourg and the Netherlands are not for publication.
Source: Eurostat (online data code: gov_ev)

eurostat

Figure 3: Expenditure on national co-financing of EU programmes Source: Eurostat (gov_ev)

The national co-financing of EU programmes expenditure of general government comprises national co-financing obligations fixed in the relevant agreements between EU countries and the EU institutions. It refers to the 10 EU funds included in the current multiannual financial framework (2021-2027). The scope of EU funds to be included in the reported data was set in the [Guidance to Member States on the Information Requirements for the Medium-Term Fiscal-Structural Plans and for Annual Progress Reports](#).

EU countries use different data sources such as accounting data, surveys and/or estimations to calculate these flows for the general government sector. The EU legislation foresees that, until the framework for the collection and provision of data is established, countries could rely on estimates.

For a few EU countries (see methodological notes), the data provided are incomplete, due to data source specificity and/or uncertainties regarding the complete coverage (general government subsectors or the EU programmes).

The [CBS Netherlands](#) and [Statoc Luxembourg](#) consider that their national data on national co-financing are not for publication; marked "N" in Table 1 and not included in Figure 3.

Country specific footnotes:

Bulgaria : Data on national co-financing are estimated and subject to revision.

Estonia : Data on national co-financing are estimated, using information on foreign grants provided by State Shared Service Centre.

Ireland : Data do not currently include all general government expenditure on co-financed programmes funded by the EU.

France : Data on national co-financing are estimated.

Lithuania : Data on national co-financing only include expenditure by central government sub-sector.

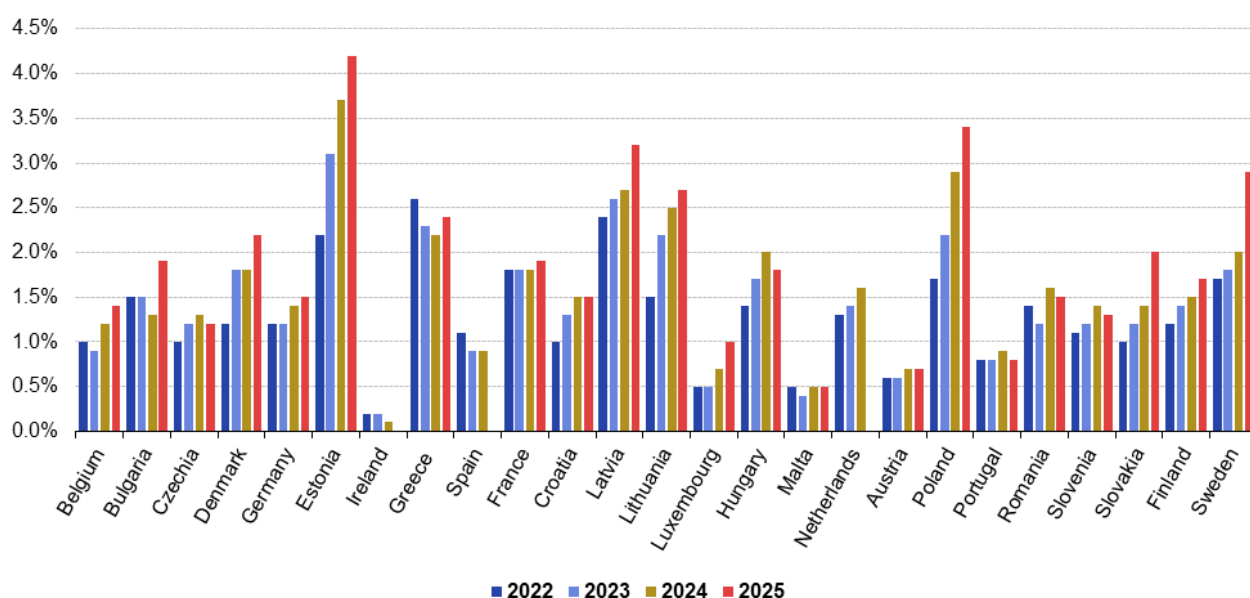
Portugal : Data on national co-financing for the year 2025 is provisional.

Defence expenditure

Total expenditure on defence

The communication from the Commission C(2025) 2000 of 19/3/2025 on "Accommodating increased defence expenditure within the Stability and Growth Pact" and the Council recommendations activating the national escape clause allow EU countries to deviate from the maximum growth rates of net expenditure recommended by the Council. The activation of the national escape clause¹ aims at supporting "Member States' investments and other expenditures on defence". Currently, the Council has activated the national escape clause for 17 EU countries². The allowed deviation for defence expenditure is limited up to a maximum of 1.5 % of GDP during the period 2025-2028. Government expenditure on defence means the total expenditure falling within COFOG Division 02 – Defence³ (according to the [Classification of the Functions of Government - COFOG](#)), as well as to expenditure financed by Security Action for Europe (SAFE) loans, if not falling within COFOG 02.

Total expenditure on defence (% of GDP)



Note: data not available for Italy and Cyprus; 2025 data not available for Ireland, Spain and the Netherlands
Source: Eurostat (online data code: gov_ev)

eurostat

Figure 4: Total expenditure on defence in EU countries over 2022-2025 Source: Eurostat (gov_ev)

The figures on total defence expenditure cover all expenditure undertaken by general government falling within the definition of COFOG Division 02 - defence. Data reporting is compulsory for countries who have the national escape clause activated and voluntary for the rest. For some EU countries, at this stage the coverage of all

¹The national escape clause (NEC) is an instrument within the EU's fiscal rules that allows individual EU countries to temporarily deviate from budgetary requirements in response to exceptional circumstances outside their control, while ensuring debt sustainability.

²On 8 July 2025, the Council activated the national escape clause for 15 EU countries: Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, Poland, Portugal, Slovakia and Slovenia. On 10 October 2025, the Council activated the national escape clause for Germany. On 17 February 2026, the Council also activated the national escape clause for Austria.

³Defence expenditure data published by NATO are broadly similar in scope to COFOG Defence but are defined as payments made by national governments to meet the needs of the armed forces. In contrast, COFOG defence data follow national accounts (accrual) definition of the time of recording, which typically implies the recording of the impact of military equipment upon its delivery. Thus, the same equipment is usually affecting NATO data earlier, at the time of a downpayment, compared with its impact in COFOG Defence at the time of delivery. Some items included in defence expenditure according to the NATO methodology are allocated to other COFOG divisions in terms of national accounts, such as military pensions (Division 10 - Social protection) or healthcare expenditure for military personnel (Division 07 - Health), etc.

expenditure categories is not complete. In some cases, data are flagged as provisional, subject to revisions in future notifications. For details, see country footnotes below.

EU countries which have not activated the national escape clause were invited to report data on a voluntary basis in the April 2026 excessive deficit procedure notification. Ireland, Spain and the Netherlands did not report 2025 data to Eurostat. Italy and Cyprus did not report data for the whole reporting period.

Country specific footnotes:

Bulgaria : Data on total defence expenditure for 2025 are provisional.

Ireland : Data on total defence expenditure are provisional.

Greece : Data on total defence expenditure for 2025 are provisional.

Hungary : Data on total defence expenditure for the year 2025 are provisional.

Netherlands : Data on total defence expenditure for 2024 and 2025 are provisional.

Portugal : Data on total defence expenditure for the year 2025 are provisional.

Romania : Data on total defence expenditure for 2025 are provisional.

Investment in defence

Under the revised European economic governance, the increase of government investment in defence can be considered as a relevant factor in the Article 126(3) TFEU Report, on the existence of the excessive deficit procedure in an EU country, prepared by the Commission.

Government investment in defence means gross fixed capital formation falling within COFOG Division 02 – Defence. Investment in defence can take form of military equipment, as defined in [ESA 2010 § 20.190](#) “*Military weapon systems, comprising vehicles and other equipment such as warships, submarines, military aircrafts, tanks, missile carriers and launchers (. . .), used continuously for more than one year in the production of defence services.*”, broadly assimilated to ESA asset category AN.114 + AN.113; as well as investment, other than military equipment (e.g., investment in military infrastructure).

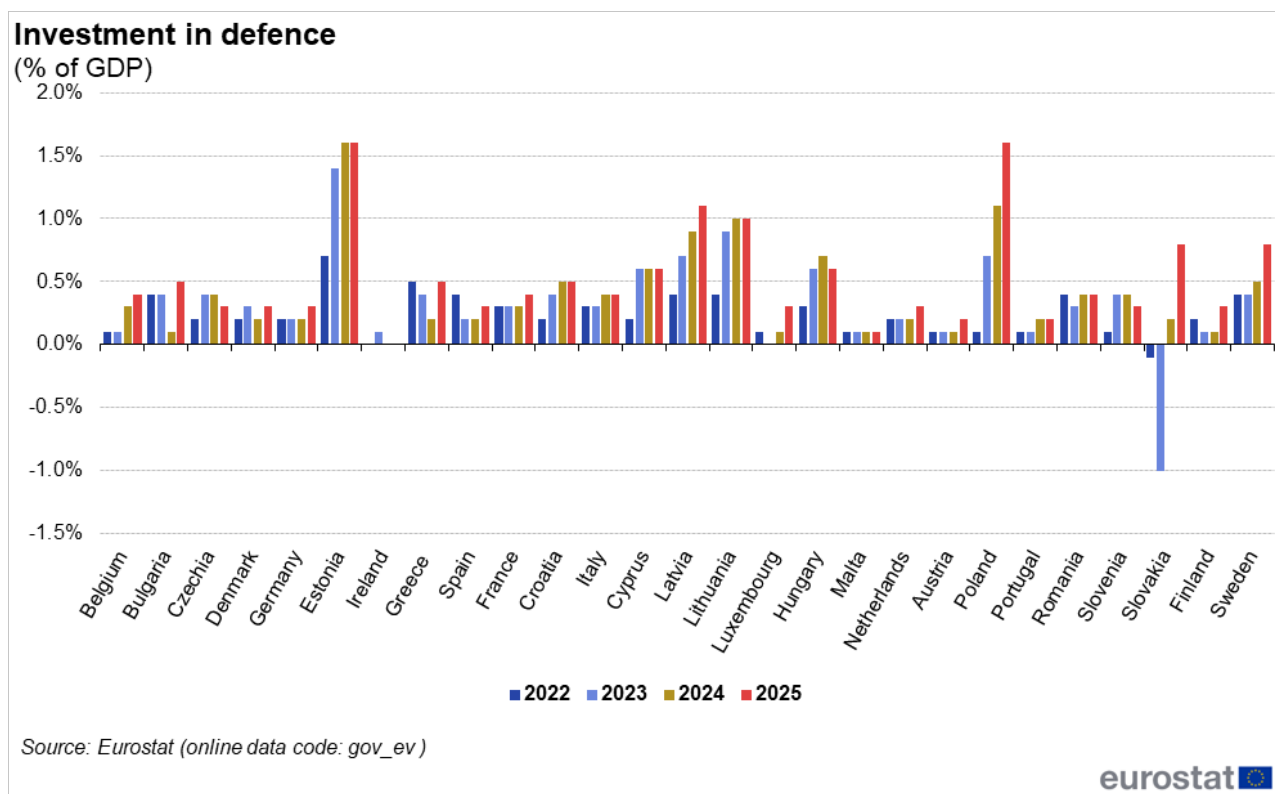


Figure 5: Investment in defence in EU countries over 2022-2025 Source: Eurostat (gov_ev)

Negative figures of investment in defence represent disposal of assets in kind. As a corresponding capital transfer expenditure is recorded as a counterpart, there is no impact on the total defence expenditure.

The figures on investment in defence cover all gross fixed capital formation expenditure undertaken by general government on military equipment or other (e.g military infrastructure). However, at this stage the coverage of "other" P.51g expenditure is not complete for all EU countries. In some cases, data are provisional, subject to revisions in future notifications. For details, see country footnotes below.

Country specific footnotes:

Bulgaria : Data on investment in defence for 2025 are provisional.

Ireland : Data on investment in defence are provisional.

Greece : Data on investment in defence for 2025 are provisional.

Hungary : Data on investment in defence for the year 2025 are provisional.

Netherlands : Data on investment in defence for 2024 and 2025 are provisional.

Portugal : Data on investment in defence for the year 2025 are provisional.

Romania : Data on investment in defence for 2025 are provisional.

Source data for tables and graphs

- [Download Excel file](#)

Data sources

The dataset expenditure variables supporting the implementation of the EU economic governance framework (gov_ev) shows 3 new indicators – national expenditure on co-financing of programmes funded by the EU, total expenditure on defence, and investment in defence. The data are reported by Member States, according to the article 3 of the [Regulation 479/2009](#) , as amended, twice a year (at the end of March and at the end of September), together with the reporting of government deficit and debt data.

Context

The data are collected by Eurostat following the newly emerged data needs in the [economic governance review](#) (EGR):

- Article 2 of the [Regulation \(EU\) 2024/1263](#) of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing [Council Regulation \(EC\) No 1466/97](#) established that specified 'net expenditure' indicator is calculated by netting, among others, also national expenditure on co-financing of programmes funded by the EU;
- Article 3 of the [Council Regulation \(EU\) 2024/1264](#) of 29 April 2024 amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure foresees that the Commission, when preparing a report under Article 126(3) TFEU, can consider as a relevant factor also "(e) the increase of government investment in defence, where applicable, considering also the time of recording of military equipment expenditure."

Footnotes

Explore further

Other articles

- [Government expenditure on defence](#)

Database

- [Government finance statistics and EDP statistics](#) , see:

Expenditure variables supporting the implementation of the EU economic governance framework (gov_ev)

Methodology

- [Manual on sources and methods for the compilation of COFOG statistics - Classifications of the Functions of Government - 2019 edition](#)
- [Manual on government deficit and debt — implementation of ESA 2010 — 2022 edition](#)
- [Guidance note on the statistical recording of defence expenditure](#) .

Legislation

- [Regulation 1466/1997](#)
- [Regulation 0479/2009](#)
- [Regulation 1263/2024](#)
- [Regulation 1264/2024](#)