POLICY BRIEF

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SAFE is not so Safe: The Limits of UK–EU Defence Cooperation

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March 3, 2026

Introduction

Following the consequential Brexit vote in 2016 and the United Kingdom's (UK) subsequent withdrawal from the European Union (EU) in 2020, the defence relationship between the UK and the EU has since been relatively unfettered. From pre-Brexit security structures in the form of the EU's Common Security and Defence Policy (CSDP), to a recent and non-binding Security and Defence Partnership, the UK–EU security and defence relationship largely remains strong and cooperative. This strength can largely be attributed to the two entities increasing coordination through NATO institutions and the establishment of the Coalition of the Willing, creating functional cooperation without necessarily deepening policy integration between the UK and the EU. The shared threat perception after Russia's invasion of Ukraine has played a large role in continuing this cooperation, as the UK remains one of the most capable militaries in Europe.

Yet this relationship has clear limits. As EU defence policy increasingly focuses inward on industrial integration and common procurement in the face of an isolationist America and a continentalist Russia, Brexit's effects place the UK outside the rules and financing mechanisms that now structure European capability-building. While the May 2025 UK–EU Security and Defence Partnership acknowledges the importance of dialogue and envisions possible cooperation, both structural and political deterrents remain.

The EU's Defence Turn

The constraints facing the UK–EU defence partnership are best understood in the context of the EU's broader defence policy shift. Traditionally centered on crisis management missions under the CSDP, EU defence policy has increasingly turned toward strengthening the continent's defence industrial base through joint procurement, financing instruments, and supply-chain integration. This shift reflects the lessons drawn from the ongoing war in Ukraine, persistent capability shortfalls among member states, and growing concern over Europe's reliance on external defence suppliers. As a result, current developments in EU defence occur not in the operational deployments – such as a hypothetical European army – but in the rapid formulation of defence markets, industrial capacity, and long-term capability planning. Accordingly, the EU is repositioning itself to be a major independent actor in the defence space, making access for defence companies outside EU governance susceptible to a significant loss in market access.

This is where the UK currently finds itself: having shifted from an influential insider shaping EU defence policy to a third-country partner navigating an increasingly institutionalized and industrial-focused EU defence architecture. This structural mismatch is also compounded by political caution on both sides. In the UK, the rise of the far-right Reform UK party reinforces sensitivities around sovereignty and UK–EU cooperation. For the European Commission, uncertainty about the durability of UK domestic politics, including the possibility of a future government opposed to deepening ties with the EU, creates incentives to favour flexible, reversible arrangements over binding integration reinforcing a preference for flexible cooperation over deeper institutional integration.

SAFE as the Stress Test

The Security Action for Europe (SAFE) initiative provides a clear stress test for the limits of the new UK–EU defence partnership. Launched in May 2025 as a €150 billion joint procurement loan instrument, SAFE is designed to accelerate the production and acquisition of critical defence capabilities while simultaneously strengthening the European defence industrial base. Unlike earlier EU defence initiatives focused on coordination or crisis management, SAFE embeds cooperation within financing rules, sourcing thresholds, and governance structures intended to anchor defence investment inside EU-linked industrial ecosystems. Participation is granted first to EU member states, but the bloc has signalled openness to third-country involvement, seen through the recent participation of Canada. However, access is conditional, limited, and explicitly structured to prioritize EU-based production and control. The program therefore rewards institutional integration over ad hoc cooperation.

The inclusion of Canada as the "first non-European country" to join SAFE should therefore be seen more as Canada's push to diversify its defence procurement industry rather than as the EU's openness to accept external members into this program. Canada's defence industrial base is fragmented and under-scaled and remains heavily dependent on United States-centred procurement channels, with approximately 63% of Canadian defence exports going to the US. For Ottawa, SAFE therefore presents a clear strategic upside: it offers guaranteed demand and structured entry into EU production ecosystems at a moment when diversification away from the United States has become a central government priority. Rather than constraining existing industrial autonomy, SAFE functions for Canada as a mechanism of capacity-building and industrial embedding, making regulatory alignment politically and economically acceptable.

Canada's relatively smooth accession to SAFE – reportedly involving a contribution in the range of €10 million – contrasts sharply with the UK's experience, where negotiations over participation ultimately collapsed. London sought to link SAFE access to the broader "reset" in UK–EU relations but talks ultimately broke down over the scale of financial and governance conditions attached to entry. Proposed

UK contributions in the billions of euros reflected the size and expected industrial benefit of the British defence sector, while limits on component participation – exemplified through France's proposed 50% ceiling – raised domestic concerns about rule-taking without institutional influence. For the EU, extending deep industrial access without full regulatory and institutional alignment remained politically and legally constrained. As a result, SAFE thus serves as a point of friction, illustrating how political rapprochement has not translated into institutional inclusion where EU defence integration is most consequential.

The Policy Dilemma

The policy dilemma presented by SAFE is not merely procedural; it carries tangible consequences for European defence capacity. The failure of negotiations over SAFE foreclosed a pathway through which political rapprochement could have been translated into accelerated capability delivery. Had an agreement been reached, UK participation could have mitigated Europe's most acute defence bottlenecks: production speed and industrial scaling. Parliamentary and defence-industry assessments in the UK note that Europe's principal constraint is not the availability of funds, but the capacity to convert resources into deployable capabilities, particularly in munitions, missiles and air defence, areas in which UK defence firms already operate at scale. SAFE's pooled procurement model would have provided long-term demand certainty, enabling faster investment decisions and earlier delivery timelines than fragmented national procurement cycles.

Beyond production capacity, having the UK participate in SAFE would also have shaped the governance of Europe's future defence capabilities. Joint procurement programs grant influence over design authority, technical standards, and interoperability requirements, creating path-dependent industrial ecosystems that determine how capabilities are developed and integrated over time. Exclusion from these processes risks marginalizing even highly capable defence producers by positioning them as downstream suppliers rather than co-architects of future systems. In this sense, the collapse of the SAFE talks reinforces a broader pattern in UK–EU defence relations: political alignment and operational cooperation coexisting with institutional arrangements that limit long-term industrial and strategic integration.

The implications of the failed SAFE negotiations extend beyond the UK. For the EU, the exclusion of a major European defence producer constrains the effectiveness of its own defence-industrial objectives. SAFE is intended to translate pooled financing into rapid capability delivery, yet its success ultimately depends on the availability of industrial capacity, systems integration expertise, and resilient supply chains. Limiting participation in this initiative risks slowing production timelines at a moment when speed and scale are central to European deterrence.

Moreover, the absence of the UK from SAFE-funded programs reduces the EU's ability to integrate some of Europe's most mature defence-industrial capabilities into its emerging procurement architecture. Excluding a key defence actor from these processes increases the risk of parallel development paths, duplication of effort, and weaker alignment between EU-funded capabilities and NATO operational requirements. From a strategic perspective, the UK–EU impasse on SAFE also underscores a tension within the EU's pursuit of strategic autonomy. While the program is designed to reduce external dependence, overly restrictive participation risks substituting one form of dependency for another, namely, limited internal capacity that cannot yet meet demand at pace. In this sense, the failure to reach an accommodation with the UK represents a trade-off between institutional coherence and near-term capability generation, with tangible consequences for Europe's collective defence posture.

Conclusion: Practical Pathways

The UK–EU Security and Defence Partnership ultimately reflects a deeper tension between EU defence integration and European security outcomes in that they are related but not identical enterprises. EU defence initiatives such as SAFE are designed to strengthen the Union's industrial base and institutional coherence, while European defence, more broadly, is concerned with generating credible military capability, deterrence, and resilience across the continent. The challenge exposed by the post-Brexit reset is that progress in the former does not automatically translate into success in the latter. The collapse of negotiations over SAFE illustrates how cooperation that benefits European security can nonetheless be constrained by institutional logic of EU defence governance.

This creates a strategic dilemma. For the EU, prioritizing internal coherence and autonomy risks limiting access to external industrial capacity that could accelerate capability delivery at a critical moment. For the UK, and other non-EU European countries, remaining outside EU defence instruments jeopardizes long-term marginalization from the industrial ecosystems that will shape future European capabilities. In both cases, the costs are borne not only by EU defence integration, but by European security. Resolving this tension does not require dissolving the distinction between 'EU' and 'European' defence, nor reopening the emotive disagreements of Brexit. Rather, it demands pragmatic mechanisms that allow the two to reinforce rather than undermine one another.

As Europe faces an increasingly constrained strategic environment, the risk is not that the UK and EU cooperate too little rhetorically, but that cooperation remains misaligned with where defence power is now generated. Bridging the gap between EU defence structures and European security outcomes is therefore not a question of ambition or symbolism, but one of strategic necessity.