SOVEREIGN EUROPE FORUM

The European Defense Union is the base.

12 February 2026

at Hotel Bayerischer Hof, Königssaal

An official side event of the MSC 2026 hosted by Sovereign Europe Forum,

co-hosted by United Europe and European Forum Alpbach,

supported by ERSTE Stiftung.

– The Official Documentation –

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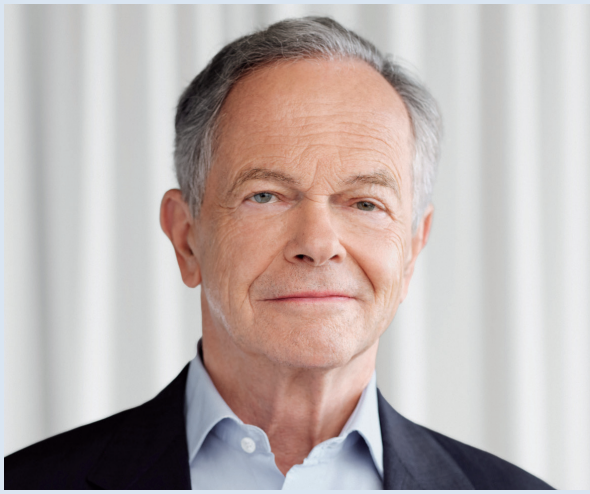


DR. PATRICK ADENAUER
Entrepreneur

MARTIN SCHOELLER
Entrepreneur

Gathering Momentum for Europe!

A sovereign Europe is a prerequisite for preserving peace in freedom and the achievements and values of our European Union and its democratic culture.

The European principle of peace in freedom is based on the systematic prevention of power abuse and the recognition of ALL existing national borders. This is the key to the success of the past 80 years.

After 80 years of strong security support from the United States it is an opportunity for Europe to take-over more responsibility which will also strengthen growth and competitiveness. As the fourth global power, Europe requires stronger security, economic, and political integration.

The Sovereign Europe Forum (SEF) brings together politicians, business leaders and experts to translate Europe's sovereignty into action, through autonomous defense capabilities within the alliance, technological independence, and strong capital mobilization.

The aim is to develop and propose concrete solutions how to implement a sovereign Europe swiftly on the basis of independent defense capabilities and autonomous key technologies, in order to effectively meet the geopolitical challenges of our time.

Current Geopolitical Situation: Sovereign Europe Forum Calls for Accelerated Establishment of a European Defence Union and Proposes European-Led NATO Command

Munich, March 2026. In light of the current escalation in the geopolitical situation, the Sovereign Europe Forum (SEF) is calling for the accelerated establishment of a European Defence Union. To address this, the EU must strengthen its military credibility in order to be able to contribute European values and interests.

In a communiqué titled “Responsibility means response ability,” the forum advocates that the European NATO member states should assume command of the European NATO units. To facilitate this, a “Handover Council” should be established at the Supreme Headquarters Allied Powers Europe (SHAPE) to coordinate the transition—if possible under the leadership of the Deputy Supreme Commander, who is always a European.

“It is only fair that Europe takes on a larger share after so many decades of protection by the United States,” said SEF co-founder and entrepreneur Martin A. Schoeller.

The proposal by EU Defence Commissioner Kubilius—who also participated in the forum as a keynote speaker and in the discussion—to establish a European task force of around 100,000 soldiers is strongly supported by the SEF, as it is necessary for the proposed handover of command.

At the most recent Munich Security Conference, the SEF organized an official side event where concrete recommendations were developed together with former President of the European Commission José Manuel Durão Barroso, former Managing Director of the European Stability Mechanism (ESM) Klaus Regling, entrepreneurs like Philippe Oddo, Antonella Mei-Pochtler, Beat Wittmann and experts like Klaus Welle, Philipp Hildebrand, Nico Lange and André Loesekrug-Pietri, as well as Günther Oettinger, Heinrich von Pierer and many other leading figures from politics and business.

Beyond the military sphere in the narrower sense, it is also important to increase European technological sovereignty. Technological sovereignty must be the goal and guideline for European investments and partnerships. Technology investments would not only help to become sovereign and resilient, but could also boost growth.

Therefore the SEF recommends to significantly redirect national and European defence budgets toward digital infrastructure and future technologies such as drones, lasers, and robotics. Through public-private partnerships (PPPs)—for example by leasing technology infrastructure over the long term—multiples of private capital could be mobilized. The forum also advocates the establishment of a European DARPA and a higher share of start-ups and SMEs in defence innovation.

Integrated capital markets as a booster not only for defence financing

In addition, Europe needs a larger EU budget for projects that can be managed more efficiently and cost-effectively at the European level than nationally, and authority based like the US DARPA that supports research projects and works closely with startups.

Another important lever for an independent, secure Europe is a capital markets union. Without integrated capital markets, Europe would not be able to finance the necessary expansion of defence. "The defence and capital markets unions are mutually reinforcing," says SEF co-founder Klaus Regling, former managing director of the European Stability Mechanism (ESM). Deeper financial market integration would also make more capital available for ventures and IPOs in Europe

"A Capital Markets Union is indispensable to increase Europe's growth potential, finance a European Defence Union and strengthen the international role of the euro, all of which would improve Europe's sovereignty," Regling said.

From the SEF's point of view, the so-called "28th regime" – i.e. a uniform EU-wide legal framework to which companies operating across borders can opt – is particularly important. In addition, it is important to promote funded pension schemes as well as the digital euro as a alternative to foreign payment systems, centralise financial supervision and build a common European stock market.

About us

The Sovereign Europe Forum (SEF) promotes dialogue between policymakers, business leaders, and experts in order to develop concrete and implementable policy recommendations and to make an effective contribution to the strategic and operational implementation of European sovereignty.

The forum was founded in December 2025 by personalities from politics and business. It works works closely with United Europe e.V. and the European Forum Alpbach (EFA). The board consists of EFA Vice-President Antonella Mei-Pochtler, Andreas Treichl (Chairman of the ERSTE Foundation), as well as the family entrepreneurs Patrick Adenauer and Martin Schoeller.

The other founders are José Manuel Durão Barroso (former President of the European Commission), Jürgen Großmann (entrepreneur and founder of United Europe), Klaus Regling (former Managing Director of the European Stability Mechanism), and Beat Wittmann (co-founder and chairman of Porta Advisors).

Beat Wittmann, Martin Blessing, Philipp Hildebrand, Philippe Oddo, Andreas Treichl

Martin Schoeller

Philippe Oddo

Finance Panel

Beat Wittmann

Martin Blessing

Recap

On **12 February 2026,** we convened the **Sovereign Europe Forum 2026** at **Hotel Bayerischer Hof (Königssaal)** in Munich as an **official side event of the Munich Security Conference**—co-hosted by **European Forum Alpbach (EFA), United Europe,** and the **Sovereign Europe Forum.**

The evening ran under **Chatham House Rules,** enabling a frank, implementation-oriented exchange.

The programme was organised in three panels—**European Defence Union, Technological Sovereignty & Digital Infrastructure,** and **Capital Markets Union**—yet the conversation had one clear centre of gravity throughout: **European security and defence.** Each panel approached it from a different angle, but always with the same practical question in mind: what must Europe do—politically, industrially, and financially—to strengthen sovereignty and the capacity to act?

Welcome speeches:

José Manuel Duaro Barroso
Former President of
European Commission

Othmar Karas
Former Vice-President
European Parliament, President EFA

Günther H. Oettinger
Former Commissioner,
President United Europe

Panel I: European Defence Union — from urgency to delivery

Panel II: Technological sovereignty & digital infrastructure — enabling security through scale

Panel III: Capital Markets Union — financing sovereignty and reducing strategic exposure

Panel I: European Defence Union — from urgency to delivery

The evening opened with the defence discussion, moderated by **Gabor Steingart (The Pioneer),** with a keynote by **Andrius Kubilius (EU Commissioner for Defence and Space)** and panel contributions from **Natalia Pouzyreff (Member of the French National Assembly), Hans-Werner Sinn (former President of the ifo Institute for Economic Research), Klaus Welle (Chairman, Academic Council, Wilfried Martens Centre for European Studies; Board Member, EFA),** and **Moritz Schularick (President, Kiel Institute for the World Economy).**

The tenor was sober and practical: a shared sense of urgency, paired with a strong emphasis on **European agency.** Across the discussion, one distinction came up repeatedly—**inputs versus outputs.** Defence budgets are rising across Europe; what matters now is whether that translates into **readiness, interoperability, sustainable production capacity, and strategic enablers** that Europe can rely on in a crisis.

Commissioner Andrius Kubilius, Werner Sinn, Natalia Pouzyreff, Gabor Steingart, Klaus Welle, Moritz Schularick

Beyond capability gaps, the conversation also reflected the geopolitical reality in which Europe operates now. A recurring point was that Europe's growing responsibility for conventional defence is being shaped by expectations in the transatlantic relationship as well as by European publics—making credibility, delivery and cohesion a strategic imperative.

A central strand in the discussion was that Europe will only be able to deliver at speed if it can align its **diverse strategic cultures.** Threat perceptions, constitutional constraints and decision-making traditions differ across the continent—and any credible Defence Union agenda needs to work with these realities, not against them. Against that backdrop, participants discussed governance and coordination options that could provide political direction and faster coherence, including ideas commonly framed in terms of a **European Security Council**-type format to bridge differences while avoiding paralysis on every operational detail.

The panel also returned to the question of **financing Europe's defence** sovereignty in ways that enable joint output rather than parallel national efforts. Alongside national spending, the discussion included proposals aimed at accelerating scale—such as **common borrowing or joint financing mechanisms for joint procurement and shared capabilities/forces**—as a means to reduce duplication and support credible delivery.

Taken together, the discussion reflected a clear shift: Europe's defence debate has moved beyond principles. The focus is now on execution—building common priorities, industrial scale and workable formats for decision-making that can translate urgency into capability.

Panel II: Technological sovereignty & digital infrastructure — enabling security through scale

The second panel approached European sovereignty through the lens of the foundations that make security policy workable: industry, infrastructure, energy, and critical technologies. It brought together **Arancha González Laya (Sciences Po), André Loesekrug-Pietri (JEDI Foundation), Ricardo Mendes (Tekever),** and **Anne-Laure de Chammard (Siemens Energy),** moderated by **Julia Reuss (United Europe).**

The discussion treated technological sovereignty not as a slogan, but as a delivery agenda: Europe's capacity to act in security and defence depends on its ability to build, protect and scale what is critical—energy systems, technological innovation, digital infrastructure, supply chains, and dual-use technologies.

A recurring theme was the need for a **"grand bargain"** that aligns talent, ecosystems, markets, finance, and procurement so that European innovation can translate into deployment at scale.

The conversation repeatedly returned to the same practical point: Europe has considerable innovative strength, but fragmented markets and uneven regulatory environments can slow down scale-up and make investment harder—especially for infrastructure-heavy sectors. A more complete and functional **European Single Market** was therefore seen not only as an economic accelerator, but as a strategic asset: it can provide the scale that Europe's defence industry needs, while also strengthening innovation and competitiveness well beyond the defence domain.

André Loesekrug-Pietri, Anne-Laure de Chammard, Julia Reuss, Arancha Gonzáles Laya, Ricardo Mendes

From this perspective, implementation is not merely about avoiding vulnerabilities; it is about tangible gains. If Europe can align demand signals (including procurement), build scale across borders, and ensure resilient infrastructure, it is better positioned to reduce dependencies, accelerate industrial capacity, and retain value creation and technological leadership in Europe. As Othmar Karas highlighted in his opening speech: "Technology and infrastructure are no longer just an economic agenda; they are instruments of influence, security, and freedom of action."

Panel III:
Capital Markets Union — financing sovereignty and reducing strategic exposure

The final panel addressed the financing layer behind capability and scale. It featured **Martin Blessing (Personal Representative of the Federal Chancellor for Investments in Germany), Philipp Hildebrand (Vice-Chairman, BlackRock), Philippe Oddo (Managing Partner, ODDO BHF),** and **Andreas Treichl (Chairman, Erste Foundation),** moderated by **Beat Wittmann (Porta Advisors).**

The discussion started from a familiar European paradox: Europe has significant wealth and savings, yet allocation often does not support scaling European companies and strategic industries at the pace required.

From a sovereignty perspective, that matters because financing conditions shape where firms grow, where industrial capacity is built, and whether Europe can fund security-relevant innovation and production without drifting into new dependencies.

Beat Wittmann, Martin Blessing, Philipp Hildebrand, Philippe Oddo, Andreas Treichl

A further point raised during the discussion was that many European portfolios—both institutional and private—remain strongly oriented toward US assets and the US dollar. In a more contested geopolitical environment, another argument for Europe to also strengthen its own financial ecosystem: a deeper Capital Markets Union could not only help mobilise European savings, but attract capital looking for stability, and channel more investment toward European priorities, including resilience and security.

The conversation stayed close to implementation: what would make Capital market union politically feasible, how it could be communicated beyond specialist audiences, and what practical steps could unlock financing for scale—especially in sectors linked to security, technology, and industrial readiness.

Martin Schoeller

What we take forward

By the end of the evening, the links between the panels were no longer theoretical. Defence capability depends on industrial readiness and strategic enablers. Industrial readiness depends on infrastructure and secure supply chains. All of it depends on financing structures that allow Europe to scale solutions in Europe.

The Sovereign Europe Forum 2026 was therefore less a sequence of three debates and more a single proposition: **European sovereignty in security and defence is built through aligned delivery—capability, infrastructure, and capital.**

The programme concluded with a closing segment and the announcement of the Sovereign Europe Recommendation 2026, reflecting outcomes and key findings from the panels.

Text by European Forum Alpbach

Othmar Karas, Andreas Treichl, José Manuel Duaro Barroso, Antonella Mei-Pochtler, Philipp Hildebrand, Klaus Regling, Beat Wittmann, André Loesekrug-Pietri, Klaus Welle, Martin Schoeller

Signing of the Recommendation 2026: Andreas Treichl, Othmar Karas, José Manuel Duaro Barroso, Othmar Karas, Klaus Regling

How to Accelerate a European Defence Union Recommendations - Summary

To preserve freedom and democracy, Europe must strengthen its sovereignty through more cooperation and deeper integration in defence, technology and finance. The Sovereign Europe Forum therefore recommends taking the following steps immediately:

1. Coordinated European NATO Command Handover & European Task Force

1. **Ensure** a seamless transition of **NATO's European command** to European leadership
2. **Establish** a European NATO **Handover Council,** coordinated by the Deputy Supreme Allied Commander Europe **(DSACEUR)** at SHAPE
3. **Communicate** clearly that **Europe is taking more responsibility reinforcing the overall NATO capabilities**
4. **Create a 100,000 strong European Task Force** and ensure a smooth handover
5. Initial priority: **security guarantees for Ukraine in case of a ceasefire**

2. Digital Infrastructure & Technology Capabilities (incl. space, AI, lasers, drones)

1. **European** technology sovereignty as **goal and lense** guiding European investments and partnerships such as **energy, digital, AI, space and financial infrastructure systematically**
2. **Treat digital and space** tech as **critical security** infrastructure
3. **Shift European and national defense budgets** *including a larger EU budget toward* technological infrastructure including also: drones, robots, laser systems (e.g. Iron Beam)
4. **Boost civilian economic growth** through dualuse technologies
5. **Create a European DARPA** and direct more procurement toward startups and SMEs

3. European Capital Market Union (CMU)

A capital market union is necessary to finance the European Defense Union and to stimulate economic growth.

1. **Introduce a "28th regime"** with unified EUwide rules for insolvency, tax and banking
2. **Centralize** financial market supervision
3. **Encourage crossborder banking** and create capitalbased pension schemes in all EU member states
4. **Develop a digital euro** to reduce dependency on foreign payment systems
5. **Work toward a joint European stock market (creates critical mass)** and **strengthens the**

Euro's global role which would be supported by more Euro dominated safe assets

The European Defense within the alliance also needs technological sovereignty and a strong financial market.

RECOMMENDATION

HOW TO ACCELERATE
A EUROPEAN DEFENCE UNION
the low hanging fruits

Responsibility means, response ability

1 **EUROPEAN NATO HANDOVER COUNCIL**
Coordinated seamlessly by the European deputy commander in chief (DSACEUR) and a European task force troups (100k) to support this. As a core element of the European Defence Union.

2 **SUFFICIENT ALLOCATION TO DIGITAL INFRASTRUCTURE and TECH CAPABILITIES (INCLUDING SPACE AND LASER) AND EU DARPA**

3 **EUROPEAN CAPITAL MARKET UNION for strength through unity to finance the defence union and to generate more growth**

1. NATO HANDOVER AND EUROPEAN TASK FORCE TROUPS

An adequate **hand over** for a European NATO command over the European NATO units should be coordinated through a HAND OVER COUNCIL if possible, under the Deputy Supreme Allied Commander Europe. This should be located at the current **Supreme Headquarters Allied Powers Europe** (SHAPE).

The Council needs to coordinate and agree on the necessary hand over timing while assuring a normal continuation of the old structures until the hand over is completed.

The first task of the European NATO Hand over Council should be the coordination of **safety guarantees for the Ukraine** in case of a cease fire agreement. Needless to say, that a European proposal for a cease fire is needed on the political front, the release of the blocked accounts could be an incentive among others.

The message to the outside should be **"Europe takes over the European NATO in a coordinated manner and in an ambitious but realistic time frame, while Europe and the European NATO remain a part of the whole NATO.** The hand over time **will not weaken the NATO's capabilities."**

It is fair enough that Europe will now take a bigger share of the defence cost after so many decades of US protection.

EUROPEAN TASK FORCE TROUPS should facilitate the hand over while the major part of the European forces remain under national command but coordinated through the European NATO.

Our proposal:

- Coordinated hand over of the NATO command in Europe whereby the whole NATO remains otherwise unchanged.
- Centralized European forces from the alliance of the willing to also support this process.

2. DIGITAL INFRASTRUCTURE and TECH CAPABILITIES including space

Learning from the US who invest 6 times more than Europe in space infrastructure and research. **0,26 % of the US GDP** correspond to **80 bn. US$ per year.** So, Europe is lagging behind with approximately 65 bn. US$ per year.

The cumulated space infrastructure launched from the US and from China each is 4 times bigger than the European.

The estimated digital backlog and AI against the US are between 50 and 80 %. Only the big tech invests several hundred billions in AI and innovation.

DARPA can spend 20 to 25 % of the science and technology budget for defence. These procurement contracts drive innovation in Silicon Valley.

In addition, and as a result the multi trillion tech infrastructure and lead from American big tech companies also dominate the European digital markets and work in close coordination with the US government. Amazon web services and Oracle f.e. benefit from double digit billions annual procurement from the US Government.

Digital capabilities, data, software and infrastructure are defined as **crucial security infrastructure** in the US and this should be treated the same way in Europe.

Therefore, Europe must invest a much bigger share of their defence budget and "Sondervermögen" into the digital, grid and technological capabilities.

This does not only help us to become sovereign and resilient over time but can also **spark growth in Europe** as we must catch up as an underdeveloped country and adhere to the principal "buy European".

Mario Draghi suggests investing between 4 and 5 % of the European GDP, 800 bn. This concerns public and private together into the catch up of our technological backlog. The current consensus on a higher European defence budget is a huge opportunity to finally move in this direction decisively.

Which means satellites and our grid/software, drones, laser, (iron beam and iron bone) robots and data and protect it against any foreign influence and build our own sky shield. We should remember that the financial strength to build a SDI under Reagan ended the iron curtain. Our large corporations are standby, our industry is not fully utilized, and the lag of exports to the US and China can be compensated in a constructive way with PPPs to invest in dual use tech infrastructure.

The enhanced tech infrastructure can also largely be used for civil purposes (dual use) which leads to long term growth, even if defence spending can be reduced in 5 to 10 years again.

Our proposal:

- The new increased EU defence budget should therefore be allocated to a much larger extent to **technical capabilities** such as: digital, drones, laser, robots, AI and space infrastructure and capabilities for the **next 5 to 10 years** also focusing on new technology and niches where we can have a competitive edge. **This needs to continue** independently if we hopefully will achieve a cease fire in the Ukraine better sooner than later.
- To finally launch a European DARPA and to allow much higher share of the procurement go to small companies and startups.

This would spark modernizing growth in Europe. The budgets are there, it is a question of allocation. It will for sure also create more competitiveness in the EU. First invest, then harvest.

3. EUROPEAN CAPITAL MARKET UNION

The European Capital Market Union (CMU) and Defence Union are not independent projects – they are mutually reinforcing. Without integrated capital markets, Europe cannot finance the necessary build-up in defence; and without credible defence, Europe cannot reach political, technological and economic sovereignty.

Progress towards a CMU has so far been prevented by national preferences and traditions. All EU member states – or those willing to move ahead – must make an effort to move towards a centralised market supervision, to harmonise relevant legal frameworks and to strengthen the financial market infrastructure. A "28th regime" for a single, harmonised set of EU-wide rules covering relevant aspects of corporate law, insolvency, labour and tax laws, would be a logical next step.

Cross-border financing flows and banking within the EU should be encouraged. Capital-based pension schemes as successfully practised in 5 European countries should be encouraged in all EU member states as they also provide long-term financing for investment.

A fully developed CMU would make the allocation of capital more efficient, thus raising Europe's growth potential. It would also strengthen the international role of the Euro; in that context, additional safe assets denominated in Euro are highly desirable.

Our Proposal:

- A digital Euro would reduce Europe's dependency on foreign payment systems and thus strengthen our sovereignty.
- Work towards a joint European stock market should be encouraged and capital-based pension schemes
- Introduce the 28th Regime for setting the rules of a CMU

As strong European defence needs a strong European capital market.

José Manuel Duaro Barroso

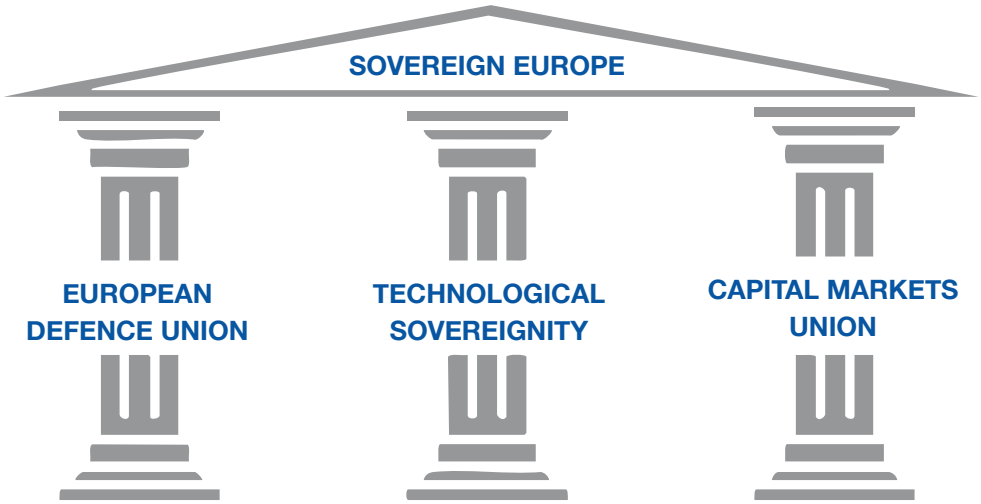
Antonella Mei-Pochtler

André Loesekrug-Pietri, Anne-Laure de Chammard

Julia Reuss, Arancha Gonzáles Laya

André Loesekrug-Pietri, Anne-Laure de Chammard, Julia Reuss, Arancha Gonzáles Laya, Ricardo Mendes

Three pillars form the central foundations for a strong, capable, and self-determined Europe.



For a Europe capable of action. Democratic. Values-based. Sovereign.

UNITED EUROPE
competitive and diverse

EFA European Forum Alpbach

Joint Forces

Europe Panel, United Europe, and the European Forum Alpbach pursue the same goals and jointly advocate for a strong, sovereign, and united Europe through organized events.

José Manuel Durao Barroso

“A united Europe is not an option, but a necessity if we want to preserve our values, our democracy, and our peace.”

Klaus Regling

“A Capital Market Union is indispensable to raise Europe's growth potential, to finance a European Defence Union and to strengthen the international role of the Euro all of which would improve Europe's sovereignty.“

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