Follow up to the European Parliament non-legislative resolution on European Defence Readiness 2030: assessment of needs

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2. **References:** 2025/2142(INI) / A10-0243/2025 / P10_TA(2025)0336

3. **Date of adoption of the resolution:** 17 December 2025

4. **Competent Parliamentary Committee:** Committee on Security and Defence (SEDE)

5. **Brief analysis/ assessment of the resolution and requests made in it:**

The resolution stresses the need for a decisive and sustained strengthening of European defence readiness by 2030 due to the deteriorating security environment and growing hybrid threats throughout the EU. Furthermore, the resolution points out that current national investment levels remain insufficient to meet the capability targets. The resolution welcomes the proposals set out in the ReArm Europe plan offering Member States greater budgetary flexibility and encouraging them to increase defence spending to strengthen the European defence technological and industrial base (EDTIB). It also notes the relevance of the Security Action for Europe (SAFE) instrument and its take-up by 19 Member States. It calls on the Commission to use its role, especially through the SAFE task force, to ensure that Member States' national defence plans respect SAFE's objective of promoting joint procurement and - in this respect - also asks the Commission to promote multi-year block purchases to lower unit costs and reduce the fragmentation of weapon systems across the EU. Further, the resolution urges to address persistent obstacles to intra-EU trade in defence products and calls for prioritising the adoption and implementation of the Commission's defence omnibus proposal. Concerning the European Investment Bank (EIB), the resolution welcomes EIB's proactive approach in stepping up financing for European security and defence but emphasises that actions remain insufficient to achieve the goals of Defence Readiness 2030. Finally, the resolution calls on the Commission to step up information and awareness-raising efforts regarding EDTIB financing as well as publicly reaffirm that the EU green taxonomy does not prohibit, restrict or discourage investment in defence. The resolution also calls on the Commission and the Member States to accelerate progress on the capital markets union and the savings and investments union (SIU), specifically by improving access to equity, venture capital and financing for defence sector SMEs.

6. **Response to the requests and overview of the action taken, or intended to be taken, by the Commission:**

On paragraph 4, the Commission has taken note of the European Parliament's comments regarding the support of individual national procurement contracts under the SAFE Regulation. This flexibility is available for a limited period of 12 months following the Regulation's entry into force and will therefore end in May 2026. During this time, the relevant Member State is required to take all necessary steps to extend the benefits of the contract to at least one additional country, including other Member States, EEA/EFTA States, or Ukraine. This temporary flexibility is intended to accommodate urgent acquisition needs while ultimately promoting collaborative procurement over time. The Commission remains committed to incentivising common procurement and reducing market fragmentation, as reflected in the European Defence Industry Programme (EDIP) Regulation and the proposed European Competitiveness Fund. These initiatives aim to foster a more integrated and cooperative defence market in the EU. Common procurement pools demand from multiple Member States, creating economies of scale and stronger market power that lower unit costs. By standardising requirements and consolidating demand, it reduces market fragmentation and encourages more efficient, competitive EDTIB. The architecture of SAFE loans, with upfront plans and yearly disbursements, is coherent with multi-year purchase orders, which provide certainty to the industry, therefore decreasing market risks and incentivising manufacturing capacity.

Concerning paragraph 5, the Commission reassures the Parliament that it will fully ensure that Member States' national defence plans respect SAFE's objective of promoting joint procurement to address capability gaps efficiently. The Commission is swiftly progressing with the implementation of SAFE: to date the Commission endorsed the national defence plans of sixteen Member States for around EUR 112 billion, marking a milestone in Europe's push to strengthen its security. The Commission is in parallel assessing the remaining plans to ensure they meet the requirements and criteria set out under SAFE. If this timeline is met, the disbursements of the first wave of SAFE loans could be expected in Spring 2026. Many Member States have built their SAFE investment plans by factoring in flagships, in particular the European Drone Defence Initiative, the Eastern Flank Watch and the European Air Shield. The large majority of investment plans will also support Ukraine. The Commission also underlines that it will use all available instruments to this avail, including European Defence Projects of Common Interest and the Structure for European Armament Programme. Furthermore, EUR 60 billion of the EUR 90 billion Ukraine Support Loan (USL) will be tentatively allocated for defence purposes.

Regarding paragraph 9, the Commission acknowledges the importance of strengthening industrial cooperation programmes and transnational partnerships in the EDTIB. The current fragmentation of the EDTIB along the national lines limits the ability of European companies to compete on the global stage. To address this, supporting cross-border cooperation and integrating production chains across national lines is essential. Through programmes such as the European Defence Fund (EDF) and EDIP, the Commission is already providing substantial support to cross-border partnerships, supply-chain platforms, and codevelopment projects. The Commission will continue to prioritise such initiatives under the next Multiannual Financial Framework (MFF) and in future programmes aimed at strengthening the defence industry. By fostering greater cooperation and collaboration among European defence industries, the Commission aims to support a more integrated, competitive, and resilient EDTIB, capable of meeting the evolving security and defence needs of the European Union. Additionally, a functioning internal market for defence products and services should facilitate achieving economies of scale and increase the competitiveness of the EDTIB. Such an internal market should also provide the EDTIB with incentives for further cooperation at all levels of the different supply chains.

On paragraph 11, the European Commission acknowledges the European Parliament's call to explore all options for supporting Member States' defence investments and maximising synergies, which aligns with the Commission's objective of strengthening the competitiveness of the defence industry to support Member States. The Commission's commitment to this goal is reflected in the proposal for the European Competitiveness Fund with a substantial increase in the indicative budget proposed for the space and defence window, among other initiatives. Additionally, through the mid-term review of cohesion policy and the regulation to incentivise refence related investments in the EU budget (mini-omnibus), the Commission has introduced incentives for Member States to channel cohesion policy funds towards defence priorities under the current MFF and expanded the scope of certain EU programmes to include dual-use and defence applications, thereby maximising synergies in EU funding**.** The Commission is also committed to ensure close coordination with key stakeholders, including the European External Action Service, the European Military Staff, and the European Defence Agency, to maximise synergies between different mechanisms. Following the publication of the Joint White Paper for European Defence – Readiness 2030, the Commission has supported the establishment of a Defence Readiness Task Force to further enhance coordination and cooperation among these stakeholders.

Concerning paragraph 17, the Commission concurs with the Parliament that simplification, clear guidance and templates as well as coordination activities are much needed. The Commission is continuously supporting such activities: First, outreach activities, including matchmaking for coordination and information sharing purposes, hosted by the Commission, Member States and regions, are supported. Secondly, video tutorials are made available through the Commission website for applicants explaining relevant parts of the application processes and filling out templates, ensuring clear guidance. Thirdly, business coaching activities for small and medium-sized enterprises (SMEs), start-ups and scale-ups are offered to provide guidance and matchmaking. Finally, the Commission has simplified the application process and project implementation for the EDF, for instance through increased use of lump sum grants instead of actual cost grants. The Commission will take up the call from the European Parliament to further provide clear guidance and templates on new types of agreements, coordination and co-deployment among competitors in the defence sector, in order to facilitate stronger R&D investment by EDTIB companies.

Regarding paragraph 22 and 24, the Commission has taken note of the European Parliament's call to step up the information available to financial actors as regards defence financing, as well as to publicly and unequivocally reaffirm that the EU green taxonomy does not prohibit, restrict or discourage investment in defence. Since 2023 the Commission has made concrete efforts to improve awareness of the defence sector's financing needs by the financial sector. To inform about the 2024 European Defence Industrial Strategy, the Commission organised a dedicated workshop with the financial sector. In 2024, the Commission also organised a Defence Industrial Investments Forum, bringing together financial stakeholders to raise awareness and engage in a structured discussion on challenges and solutions to improve defence financing. That same year, the Commission published a report on the financing needs of defence SMEs. In February 2025 the Commission, together with the EIB Group, hosted-a High-Level Roundtable on defence financing with the CEOs of the EU's 15 largest banks and asset managers.

Building on these engagements with the financial sector and on a public consultation conducted as part of the Defence Readiness Omnibus package adopted by the Commission in June 2025, the Commission presented a guidance Notice on the application of the sustainable finance framework and the Corporate Sustainability Due Diligence Directive to the defence sector. This level three text, directed at the financial community, clarifies how to treat investments in the defence sector in each constituent text of the Framework, including the EU Taxonomy, the Markets in Financial Instruments Directive II, and the Sustainable Finance Disclosure Regulation. The Notice should provide much needed clarity to the financial sector on how to align investments in the defence industry with the Sustainable finance framework and enable a better access to finance for defence companies. In the section dedicate to the EU taxonomy (3.2.2), under paragraph (42), the Commission recalls that the undertakings involved in defence-related activities can, like any other sector, claim Taxonomy-alignment for eligible horizontal investments specified in the Taxonomy Delegated Acts. In paragraph (43) of this same text, the Commission builds on a statement already made in the European Defence Industrial Strategy, namely that 'the fact that specific defence industry activities have so far not been included in the EU Taxonomy, does not prejudge the defence industry's environmental performance'.

On paragraph 26, the Commission, in close cooperation with the EIB Group, has taken concrete steps to operationalise support for defence and dual-use projects, with a strong focus on early-stage ventures and SMEs. In 2024, the Commission and the European Investment Fund launched the Defence Equity Facility, a EUR 175 million fund-of-funds aimed at facilitating access to equity financing for defence and dual-use start-ups and SMEs. To date, agreements have been signed with five venture capital funds. In parallel, the EIB has revised its exclusion policy and significantly scaled up its lending to defence-related SMEs, notably through intermediated loans with major European banks.

Complementing financial instruments, the Commission supports defence and dual use innovation through the EU Defence Innovation Scheme (EUDIS).

- EUDIS Matchmaking bring together innovators, investors and public authorities across the EU, with a particular focus on improving access to finance and capacity-building across the ecosystem.
- The EUDIS Business Accelerator provides structured training and coaching through an eight-month programme. The first cohort included 20 companies from 11 Member States, many originating from civilian sectors such as cyber, space and agriculture.
- EUDIS Hackathons, take place twice a year across several locations in Europe simultaneously, helping young entrepreneurs turn their ideas into businesses.

Further progress has been made through legislative measures to simplify procedures and widen access to EU funding for dual-use and defence projects. The Regulation of the European Parliament and of the Council incentivising defence-related investments in the EU budget (‘mini omnibus’) adopted in December 2025 extends the scope of the EIC Accelerator and other EU programmes to dual-use technologies, improving access to grants and equity for start-ups and SMEs. The Commission publishes regular updates on ongoing initiatives, and engages regularly with Member States, notably through national and regional information days and the European Network of Defence-related Regions, to promote awareness of available initiatives and support broad participation, including in regions with less developed defence ecosystems.

Concerning paragraph 28, the Commission echoes the European Parliament’s call to address persistent obstacles to intra-EU trade in defence products, as regulated by the Directive on intra-EU transfers of defence-related products 2009/43/EC (Transfers Directive). The Commission Defence Omnibus Proposal has taken important steps in this direction. The proposal to adopt delegated acts will allow for a better implementation of the instruments of the Directive and for their harmonisation across Member States. The proposal for a new General Transfer Licence for EU-funded projects will further facilitate transactions of defence products in the framework of the European Defence Fund. The proposal to extend the benefits of certification will allow for simplification for reliable and compliant companies. The Commission is committed to support co-legislators in the ongoing interinstitutional negotiations on the Defence Readiness Omnibus so that a political agreement is reached as soon as possible.

In addition, the Commission is currently finalising the evaluation of the Transfers Directive. The upcoming Commission report on the evaluation, together with the outcome of the trilogues process on the Commission’s Defence Omnibus Proposal, will form the basis for discussions with the co-legislators and the Member States on the swift and effective implementation of the instruments of the Transfers Directive as well as on further harmonisation. Furthermore, the Commission continues to monitor and identify obstacles to the internal market for defence products, how to best tackle them, also in the context of Security of Supply under the European Defence Industry programme (EDIP), and will build on the momentum created by the Defence Readiness Omnibus to propose additional actions to address these challenges.

Regarding paragraph 29, the Commission has adopted all major Saving and Investments Union (SIU) proposals by end-2025, in line with the deadlines set out in the SIU Strategy, responding to the urgency expressed by the European Council in March and June 2025, and the European Parliament in September 2025. In June, the Commission adopted legislative proposals to revitalise EU securitisation to mobilise more financing for the economy. In September, the Commission adopted a Financial Literacy Strategy and a recommendation on a blueprint for Savings and Investments Accounts. The Commission further adopted measures to foster more investments by insurers and banks in the context of legislative programmes; a package to strengthen supplementary pensions; and the Market Integration and Supervision Package to remove cross-border barriers in capital markets, including through stronger EU supervision. These measures, if they are quickly adopted by co-legislators and implemented by Member States, will significantly improve the financing of European companies, particularly like in strategic sectors such as defence.

On the ‘Finance Europe’ label in paragraph 31, the Commission also welcomes the label as Member States initiative and fully shares the objective to promote greater retail investment in the EU economy. In order to pursue a similar objective, the Commission presented its recommendation on Savings and Investment Accounts (SIA) in September and committed to publishing this Recommendation in the SIU Strategy (published in March), as all EU citizens should benefit from such opportunities. The focus of the Finance Europe Label is to ensure first and foremost that investment, and in particular retail investment, is channelled into the EU economy, however the aim of the SIA recommendation is broader, i.e. to provide citizens with a clear and simple path to invest, and to create an incentive structure that enables them to benefit from putting their money to work. One of the focal points of the Recommendation is to ensure that the blueprint can coexist with existing best practices and with frameworks under development. The Commission therefore believes that the Label has been designed in a manner that makes it complementary to the Recommendation, which is not focused on specific products or labels. The Finance Europe also differs from the SIA, for example as regards some investment conditions and portability. Therefore, Finance Europe labelled products can form part of a well-diversified portfolio held through an SIA.