European Parliament
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TEXTS ADOPTED

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From prototypes to capabilities – enabling new defence actors to scale up

European Parliament resolution of 12 November 2026 From prototypes to capabilities – enabling new defence actors to scale up (2026/2025(INI))

The European Parliament,

– having regard to the Treaty on the Functioning of the European Union (TFEU),

– having regard to Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC[1],

– having regard to Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092[2],

– having regard to Regulation (EU) 2025/2643 of the European Parliament and of the Council of 16 December 2025 establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products ('EDIP Regulation')[3],

– having regard to Regulation (EU) 2025/2653 of the European Parliament and of the Council of 19 December 2025 amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153 and (EU) 2024/795, as regards incentivising defence-related investment in the EU budget to implement the ReArm Europe

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1 OJ L 216, 20.8.2009, p. 76, ELI: http://data.europa.eu/eli/dir/2009/81/oj.
2 OJ L 170, 12.5.2021, p. 149, ELI: http://data.europa.eu/eli/reg/2021/697/oj.
3 OJ L, 2025/2643, 29.12.2025, ELI: http://data.europa.eu/eli/reg/2025/2643/oj.

Plan[4],

– having regard to Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument[5],

– having regard to the Commission proposal of 17 June 2025 for a regulation of the European Parliament and of the Council on the acceleration of permit-granting for defence readiness projects (COM(2025)0821),

– having regard to the Commission proposal of 17 June 2025 for a regulation of the European Parliament and of the Council amending Regulations (EC) No 1907/2006, (EC) No 1272/2008, (EU) No 528/2012, (EU) 2019/1021 and (EU) 2021/697 as regards defence readiness and facilitating defence investments and conditions for defence industry (COM(2025)0822),

– having regard to the Commission proposal of 17 June 2025 for a directive of the European Parliament and of the Council amending Directives 2009/43/EC and 2009/81/EC, as regards the simplification of intra-EU transfers of defence-related products and the simplification of security and defence procurement (COM(2025)0823), as part of the Defence Readiness Omnibus package of 17 June 2025,

– having regard to its resolution of 25 March 2021 on the implementation of Directive 2009/81/EC, concerning procurement in the fields of defence and security, and of Directive 2009/43/EC, concerning the transfer of defence-related products[6],

– having regard to its resolution of 25 November 2025 on the institutional aspects of the Report on the future of European Competitiveness (Draghi Report)[7],

– having regard to the report by Mario Draghi of 9 September 2024 entitled ‘The future of European competitiveness’ and, in particular, Chapter 4 thereof on increasing security and reducing dependencies,

– having regard to the report by Enrico Letta of 17 April 2024 entitled ‘Much more than a Market – Speed, Security, Solidarity: Empowering the Single Market to deliver a sustainable future and

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4 OJ L, 2025/2653, 22.12.2025, ELI: http://data.europa.eu/eli/reg/2025/2653/oj.
5 OJ L, 2025/1106, 28.5.2025, ELI: http://data.europa.eu/eli/reg/2025/1106/oj.
6 OJ C 494, 8.12.2021, p. 54.
7 OJ C, C/2026/1700, 24.4.2026, ELI: http://data.europa.eu/eli/C/2026/1700/oj.

prosperity for all EU Citizens’,

– having regard to its legislative resolution of 6 October 2026 on the proposal for a regulation of the European Parliament and of the Council establishing the Programme for agile and rapid defence innovation (AGILE) (COM(2026)0135 – C10-0089/2026 – 2026/0078(COD)),

– having regard to Rule 55 of its Rules of Procedure,

– having regard to the report of the Committee on Security and Defence (A10-0268/2026),

A. whereas Russia’s war of aggression against Ukraine, hybrid attacks against the EU, and conflicts in the Middle East have demonstrated a shift towards low-cost attrition warfare and the decisive role of unmanned and autonomous systems, electronic warfare, cyber capabilities, spectrum resilience, counter-unmanned aircraft systems, secure communications, AI-enabled support tools, affordable air defence solutions in high-intensity conflicts and other disruptive technologies used in modern combat, underscoring the urgent need for the EU to invest in emerging and disruptive defence solutions, while making Ukraine a critical innovation partner for the EU;

B. whereas Russia’s war of aggression against Ukraine has also underscored Europe’s significant capability shortfalls and its dependence on technologies developed outside the EU; whereas speed of procurement and deployment has become a strategic factor for European defence readiness, and excessively long acquisition cycles risk driving capital, investment, talent and critical technologies to faster markets outside the EU, thereby weakening Europe’s defence industrial base, industrial resilience and ability to contribute effectively to NATO and allied defence capabilities;

C. whereas the EU’s defence technological and industrial base (EDTIB) is increasingly dependent on innovative start-ups, small and medium-sized enterprises (SMEs), and companies developing and supplying dual-use and defence technologies, as well as components; whereas a significant share of defence innovation potential lies in civilian companies entering the defence market for the first time, requiring distinct support pathways and dedicated funding instruments; whereas all EU defence innovation support must be conditional on full interoperability and interchangeability with all Member States, NATO allies and close partners such as Ukraine, namely by employing NATO standards;

D. whereas SMEs provide approximately 70 % of the total value of European defence systems and account for the majority of firms operating within the EDTIB, yet continue to face disproportionate financial, regulatory and political barriers, particularly at national

level, to scaling their innovations throughout the single market for defence; whereas there has been an emergence of specialisation in defence innovation in Member States that are unable to scale up in their domestic markets alone;

E. whereas since the first European Defence Fund (EDF) call in 2021, the EU has invested EUR 5,2 billion in 282 projects with over 3 000 participating entities; whereas ‘Innovation and SMEs’ is the most frequent project line, accounting for 85 of the 282 projects, but in financial terms it received over EUR 360 million between 2021 and 2025, or about 7 % of the total funding; whereas SMEs overall represent 43 % of the unique participants in EDF projects and receive around 20 % of the available funding;

F. whereas, according to the Commission’s EU Defence Industry Transformation Roadmap, more than 230 defence start-ups have been founded in Europe since Russia began its full-scale invasion of Ukraine in 2022; whereas, however, EU defence start-ups often leave the EU to scale up their operations, while up to 50 % of private European venture capital is provided by US investors; whereas European Investment Bank (EIB) security and defence financing increased to around EUR 4 billion in 2025, but the EIB’s instruments do not yet reach all Member States, particularly smaller economies;

G. whereas lack of progress towards an EU single market for defence, as well as a lack of aggregated demand and predictability, has resulted in a situation wherein defence SMEs and start-ups struggle to find customers; whereas Member States frequently maintain divergent national procurement practices alongside existing EU law, creating further bottlenecks for the purchase of innovative defence solutions;

H. whereas on 9 September 2026, the Commission came forward with a proposal for a regulation on public contracts and concessions[8]; whereas defence and security procurement remains governed by Directive 2009/81/EC pending its comprehensive revision;

I. whereas the Draghi report on European competitiveness identifies fragmentation, insufficient public defence spending and limited access to financing as core structural weaknesses of the EDTIB and calls for demand aggregation, the integration of SMEs into supply

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8 Commission proposal of 9 September 2026 for a Regulation of the European Parliament and of the Council on public contracts and concessions, repealing Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, and amending Regulations (EC) No 1370/2007, (EU) 2023/1542, (EU) 2024/1157, (EU) 2024/1252, (EU) 2024/1735, (EU) 2024/1781, (EU) 2024/2847, (EU) 2024/3110 and (EU) 2025/40, and Directives 2008/98/EC, (EU) 2019/882, (EU) 2022/2381, (EU) 2023/1791 and (EU) 2024/1760 (Public Procurement Act), (COM(2026)0590).

chains and improved access to finance for the defence sector; whereas increased defence spending will not result in increased defence capabilities without a single market for defence, which could lead to efficiency gains of up to 30 %;

J. whereas the EU Member States should collectively invest in defence to achieve greater security and greater efficiency, as in a time when Member States are facing fiscal constraints, European cooperation is both an economic and a security necessity; whereas building a defence union requires completing the common market for defence innovation where new actors can grow, compete and deliver capabilities for Europe’s security, rather than just increasing budgets; whereas procurement decisions remain the sovereign prerogative of Member States within the limits of existing EU law;

K. whereas a higher risk-taking culture in defence innovation investment and procurement, as well as the availability of procurement contracts rather than grants from Member States’ armed forces, could strengthen EU defence readiness; whereas there is no EU instrument for purchasing experimental batches of innovative products, leaving a gap between grant-funded research and development (R&D) and full-scale procurement; whereas there is therefore a need for predictable mechanisms to enable the transition of innovative products into deployable military capabilities through testing, qualification, certification, initial operational use, first-series production, procurement, deployment and industrial scale-up;

L. whereas the fragmentation of national certification, testing and security accreditation regimes, with no permanent mutual recognition, poses systemic difficulties for innovative companies; whereas there is a need to support the establishment of regulatory sandboxes and controlled testing environments for emerging defence technologies, enabling innovators to validate new solutions under simplified procedures while maintaining appropriate safety, security and ethical safeguards;

M. whereas the defence innovation sector is facing a growing shortage of qualified personnel with combined technical, operational and entrepreneurial skills; whereas the translation of innovative defence technologies into deployed capabilities depends not only on financial and industrial conditions, but on the availability of a highly skilled and resilient workforce across the full innovation cycle;

N. whereas the administrative resources necessary to create and operate successful defence innovation ecosystems remain a significant burden for smaller Member States; whereas the same limited personnel are required for combat readiness, capability development, allied hosting and innovation support simultaneously;

O. whereas many innovative SMEs lack any established relationship

with military end-users and procurement authorities; whereas the Hub for EU Defence Innovation (HEDI), hosted by the European Defence Agency (EDA), is the main EU-level instrument dedicated to bridging that gap through experimentation, innovation challenges and matchmaking; whereas the EDA is developing HEDI 2.0 to accelerate technology development and acquisition through early-warning analysis of emerging technologies, an Innovators Forge linking innovators to EDA expert and operational groups, field-based innovation uptake campaigns and closer ties with the European Defence Innovation Network;

P. whereas NATO's Defence Innovation Accelerator for the North Atlantic (DIANA) coordinates a network of 222 accelerator sites and test centres, of which 178 are located in EU Member States; whereas many of these sites are dual-use or civilian in nature and not all are able to certify technologies for demanding military use, and whereas the network is backed by a NATO Innovation Fund of only EUR 1 billion spread over 24 Allies and 15 years;

The scale-up gap

1. Underlines that EU-funded research, development and demonstration programmes can produce successful, innovative and disruptive defence products, which are essential to strengthening the EDTIB and EU efforts to support Ukraine; considers that these products should be cost efficient and respond to the capability requirements as defined by Member States' armed forces;

2. Recalls that such efforts must be followed by timely procurement from Member States' armed forces, which must evolve from their established procurement practices and consider existing European capability planning and procurement tools to better integrate innovative defence solutions;

3. Recognises that defence start-ups and SMEs face two distinct valleys of death, the first between technological development and capability validation, which requires access to testing, demonstration and validation activities, military end-users and certification infrastructure, and the second between validated capability and market adoption, which requires first contracts, integration into existing supply chains and the financing of production scale-up;

4. Stresses that EU instruments must address both issues and should strengthen the link between successful EU-funded projects and subsequent first contracts and follow-on procurement by Member States' armed forces; underlines that in the absence of follow-on contracts and a lack of predictable demand signals, successful research and development projects may come to an end without a credible follow-on route and innovative companies may fail or relocate to non-EU countries, reversing the progress made so far;

5. Underlines, furthermore, that procurement is only one component of the transformation of a validated prototype into an operational capability and stresses that new systems must, where appropriate, be integrated into doctrine, training, command-and-control structures, logistics, maintenance, cybersecurity arrangements and operational planning; calls, therefore, on the Member States to accompany innovation procurement with clear adoption pathways within their armed forces;

6. Notes, furthermore, the importance of testing, qualification and certification procedures that ensure the safety and reliability of fielded capabilities and protect the personnel who operate them; considers, however, that there is a need to facilitate a risk-taking culture in public institutions that is supported by legal and political environments, and to encourage the procurement of disruptive solutions;

Support for SMEs and new entrants

7. Recognises that the European defence market should develop under the principles of fair competition and open access with stability of demand and clear long-term perspectives, and recognises the vital role of SMEs, start-ups and small mid-caps as the primary sources of technological dynamism within the EDTIB;

8. Notes the existing support provided through EU defence instruments, including dedicated calls and incentives for SME participation, but regrets that smaller and non-traditional defence companies continue to face disproportionate administrative burdens and lengthy funding, testing and procurement procedures, which hamper their access to EU support and slow the development, uptake and scaling-up of innovative defence solutions in ways that undermine the EU’s long-term defence competitiveness;

9. Welcomes, nonetheless, the high level of participation of SMEs in EDF projects, but notes that the majority of this funding flows to large prime contractors; recognises, as such, the EDF’s potential in aiding the development of SMEs into key suppliers and welcomes the initiative to reduce the administrative burden for SMEs in the EDF through the Defence Readiness Omnibus; encourages, moreover, the use of programmes that support the capacity of SMEs to source components, improve security of supply, develop manufacturing engineering and support high levels of automation to ramp up production;

10. Calls additionally for the creation of specific mechanisms to support new defence actors in the EU and national funding instruments, building on the tools already deployed by the EU Defence Innovation Scheme (EUDIS), such as dedicated innovation calls, business acceleration and coaching, technological challenges, hackathons,

cascade funding and matchmaking with investors and military end-users;

11. Notes the importance of reducing administrative burdens, introducing direct-funding instruments with tolerance for failure, and providing opportunities for mini-grants and rapid-funding tools essential for these companies, while ensuring fair conditions through proportionate consortium requirements, reasonable guarantees and flexible payment terms; encourages a practice whereby new defence actors are evaluated through on-site audits rather than by demonstrating past performance;

12. Calls, furthermore, on the Commission to undertake an early assessment of the programme for agile and rapid defence innovation (AGILE) and, following a positive assessment, to scale up this framework substantially under the European Competitiveness Fund by converting it into a permanent instrument of the EU's defence innovation landscape; stresses that for similar future EU defence industrial programmes to be successful, they need to:

    (a) attract innovative companies to the EU, accelerating the uptake of new technologies and enhancing cooperation between defence actors and the wider deep-tech ecosystem,

    (b) deliver fielded capabilities and bridge the gap between R&D output and serial production and predictable procurement,

    (c) address the Member States' identified military capability shortfalls based on NATO and EU common requirements and changes on the battlefield at tactical level,

    (d) continue improving the use of fast decision-making, light procedures, milestone-based funding and short time frames from application to funded work,

    (e) provide advance purchase commitments, framework contracts and pooled procurement opportunities;

13. Calls, furthermore, on the Commission and the Member States to fully leverage NATO's DIANA and the NATO Innovation Fund as complements to these EU defence innovation instruments and to maximise synergies within the transatlantic framework;

Scaling prototypes to serial production

14. Notes that defence start-ups and SMEs frequently lack the manufacturing infrastructure needed to move from validated prototypes to serial production, creating a critical bottleneck in the defence innovation pipeline at the second valley of death identified above; stresses that public support should focus more on the most difficult and underfunded phase, which remains scaling production,

securing components, building capacity, testing in operational conditions and delivering a first usable series;

15. Welcomes, therefore, NATO’s initiative to connect defence innovators with civilian companies that have spare production facilities and calls on the Commission and the EDA to mirror such initiatives in EUDIS and other instruments; considers that these should be complemented by support mechanisms for the expansion of production capacities of SMEs, mid-caps and specialised suppliers, such as the Fund to Accelerate Defence Supply Chain Transformation (FAST) under the European Defence Industry Programme (EDIP), to speed up bridging the gap from prototype to serial production;

16. Emphasises that such a transition is not possible without adequate investment in tooling, certification, working capital, production equipment and industrial scale-up, as well as investment in dual-use production facilities by deepening cooperation between the defence industry and civilian industry so that, where necessary, civilian production can be swiftly mobilised to meet the EU’s defence needs;

17. Considers, furthermore, that such investments should contribute to building a more geographically diversified and resilient European defence supply chain; calls, in that regard, for strategies that encourage security of supply, such as dual-sourcing and stockpiling of essential supply chain materials and components, as well as support for domestic rare earth extraction and processing;

Emerging technologies, critical components and supply chains

18. Recognises that the pace of technological evolution in the field of unmanned aircraft and counter-unmanned aircraft systems (UAS and C-UAS) is unprecedented and calls on the Commission and the Member States to adopt faster innovation and acquisition cycles, as well as to treat emerging technologies on an equally important footing with traditional defence platforms; highlights that speedy and efficient certification, procurement and testing processes are necessary to ensure that Member States’ armed forces receive new products in time;

19. Calls on the Commission to follow up the EU action plan on drone and counter-drone security by providing dedicated support within EU defence programmes for autonomous systems, C-UAS solutions and next generation drone technologies, including modular repairability, advanced sensing technologies and software-defined capabilities, and AI applications; stresses the importance of embedding these systems in military doctrine, namely through training and exercises; calls, furthermore, on the Commission and the Member States to establish dedicated support for industrialisation and first usable series production of such innovative defence technologies and to

remove procurement bottlenecks that hinder timely production and fielding;

20. Highlights the need to fill capability gaps specifically in the field of integrated air and missile defence and underlines the challenge posed by the high cost of drone interceptions; calls, therefore, for joint programmes and competition-driven initiatives to promote the development of cost-effective C-UAS capabilities, such as electronic warfare, laser, acoustic detection systems and AI-guided interception; reiterates, furthermore, its call for the establishment of a European Centre of Excellence for Drone Warfare, where Ukrainian instructors can pass on their expertise to the EU Member States;

21. Stresses that the ability to scale innovative defence systems depends on secure and timely access not only to final products, but also to critical components and sub-systems, such as sensors, optics, microelectronics, batteries, propulsion systems, flight controllers, secure communications modules and energetics; calls, therefore, on the Commission to make strategic investments in relevant industrial and technological hubs across the EU, assess strategic dependencies affecting emerging defence technologies and support component-level resilience within the EDTIB;

22. Encourages the Member States to prioritise the onshoring of critical components, including through co-financing production facilities, EU-coordinated subsidies, the creation of lead markets and the adoption of targeted tax incentives for localising production, and to ensure that EU and national funding for strategic semiconductor production gives due priority to defence applications; supports the use of trade and industrial policy instruments to secure sufficient reserves of key materials and components;

Contracts, procurement and risk

23. Highlights the limited uptake of EU-funded R&D projects in national procurement decisions, creating one major bottleneck for start-ups, SMEs and new defence actors; calls on the Member States to earmark dedicated innovation procurement budgets within their defence expenditure frameworks and to adopt more flexible specifications in defence procurement that allow for flexibility during prototyping, operational validation and scale-up stages; considers that the Member States should, as outlined in the EDA investment benchmarks, spend 2 % of their defence budget on research and technology and 20 % of that spending on collaborative EU defence research and technology;

24. Calls, in that regard, on the Member States to develop national innovation procurement mechanisms that provide first contracts to European innovators, thereby providing a credible platform for

uptake across the entire EU; encourages the Member States to prioritise, and progressively increase to the necessary level, a specific percentage target for defence procurement expenditure for emerging and disruptive technologies in both defence and dual-use spaces by 2030 and to report these annually to the EDA in order to monitor progress and identify best practices across the EU;

25. Calls, in addition, for the establishment of common innovation procurement mechanisms that provide first contracts to European innovators, including by assessing the feasibility of a European First Customer Facility enabling Member States, EU bodies and relevant agencies to jointly procure limited operational batches of innovative defence technologies developed by European SMEs, start-ups and new market entrants; calls, in that regard, on the Commission to ensure that EU instruments provide a predictable pathway for follow-on orders, as well as second and third customers across borders; believes that future EU defence instruments should provide support to industrial ecosystems capable of integrating, certifying and producing innovative solutions at scale;

26. Notes, furthermore, that many SMEs struggle to navigate the complex procurement landscape and the multiple platforms where opportunities are published; calls, therefore, on the Commission and the Member States to establish a dedicated platform to provide SMEs with information on demand signals, procurement opportunities, certification requirements, testing facilities, export procedures and industrial partnerships across the EU and to work together to simplify and harmonise procurement procedures and industrial partnerships across the EU;

27. Notes that political commitments to defence innovation should translate into procurement decisions and enable officials with assigned budgets to embrace and manage risk in a responsible manner; calls, therefore, on the Member States to establish innovation procurement budgets that are explicitly not tied to guaranteed outcomes and to develop accountability frameworks that distinguish between negligent spending and informed risk-taking, accepting that a proportion of spending on emerging technologies will not result in fielded products, and that this is a necessary cost of maintaining a competitive defence innovation ecosystem;

28. Stresses that modern warfare increasingly relies on large numbers of cost-effective autonomous systems operating together rather than on individual platforms and calls again on the Member States to prioritise such emerging and disruptive technologies in their national procurement decisions; supports, in that regard, the increased use of modular procurement forms and indefinite-delivery, indefinite-quantity framework contracts, and encourages the development of procurement mechanisms that allow pilot production, pre-commercial procurement, multiple-award and milestone-based

contracts, and pre-financing of critical materials; supports the use of lessons learnt from Ukraine for procurement, namely the use of innovative solutions such as marketplaces for procurement directly by units and brigades according to their needs;

29. Calls, furthermore, on individual Member States to pool resources for the procurement of innovative defence solutions, including through the EDA framework and with Member States retaining full control of such procurements, in particular for products that have successfully completed EU-funded programmes; encourages the Member States, in cooperation with NATO and the EDA, to make use of mechanisms that would allow one Member State to join an existing procurement contract initiated by another, reducing duplication and accelerating the uptake of validated innovative solutions across the EU;

30. Encourages the national and international procurement and contracting authorities to consider establishing open, transparent and secure pre-approved vendor lists and priority-rated orders for critical defence technologies and platforms, including in EU joint procurement initiatives, thus allowing for faster contracting during a crisis; notes that this should be done in close coordination with the Member States while ensuring equal access for SMEs across the EU;

Institutional support and demand signals

31. Calls on the Member States to expand the use of dedicated innovation units within their armed forces to accelerate innovation cycles and reduce time to market; calls on the EDA, in close coordination with NATO, to build on the HEDI and expand its training, advisory and capacity-building support for willing national ministry of defence staff, addressing their needs in capability planning, procurement facilitation, access to testing infrastructure, certification and end-user feedback; calls, furthermore, on the Member States to resource the EDA adequately for this expanded mandate and welcomes the steps being taken by the EDA’s Ministerial Steering Board to strengthen the EDA’s role in innovation, experimentation and collaborative procurement, including through the proposed HEDI 2.0 agenda;

32. Notes that while capability priorities are coordinated at EU level, there is no systematic channel through which Member States’ armed forces make their concrete operational needs and procurement intentions visible to industry; calls, therefore, on the EDA to develop, on the basis of HEDI and its existing matchmaking platform, a service that aggregates and communicates such needs on behalf of Member States; calls, furthermore, on the EDA and the Commission to explore the creation of a secure EU digital marketplace for defence innovation, drawing on the model of Ukraine’s Brave1 market platform, where SMEs can list products and military officials

can express urgent operational needs, evaluate tested solutions and provide feedback to procurement authorities, linked where possible to EDIP's Military Sales Catalogue;

33. Recommends that the EDA and the Member States expand cooperation with the private sector beyond 'classical' partners in the defence industry and include a mentoring and training partnership with select tech firms aimed at importing deeper technological know-how into armed forces; encourages, furthermore, regular dialogue with relevant defence industry associations and clusters to identify industrial bottlenecks and improve the communication of operational needs to the defence innovation ecosystem;

Regulatory simplification

34. Notes the agreed provisions of the Defence Readiness Omnibus, including the increase in procurement thresholds and simplified innovation partnership procedures; stresses that traditional, larger equipment systems with long development- and life-cycles require different procurement procedures than those used for fast-changing defence technologies, and that procurement instruments should adequately cover not only breakthrough technologies, but also incremental innovation with clear operational value;

35. Looks forward to the forthcoming comprehensive revision of Directive 2009/81/EC on defence procurement and invites the Commission to also evaluate its transformation into a regulation; calls on the Commission to ensure that this revision provides flexible procedures across all stages of defence and dual-use innovation cycles, including R&D, prototyping, experimentation, demonstration and entry-level purchases of innovative solutions, and enables all of these steps to be part of a single procurement process; calls, furthermore, on the Member States to implement any adopted provisions in a way that ensures a fair, competitive single market for emerging and disruptive defence technologies;

36. Supports the expansion of simplified, proportionate and fast-track application and evaluation procedures for SMEs, start-ups and defence-first companies, with reduced administrative burdens, shorter evaluation timelines and requirements proportionate to the size and maturity of the project; asks the Commission to address the gap whereby Member States are unable to procure innovative products developed under R&D contracts without launching a new competitive procedure;

37. Calls on the Commission to complement its directives with practical implementation support, recognising that, in smaller Member States, procurement agencies often lack the administrative capacity to interpret and apply new rules, and to use EU instruments to incentivise Member States to adopt faster, more flexible and

innovation-friendly national acquisition procedures through templates, benchmarks and targeted conditions;

38. Notes the Commission's delay in presenting its communication on the single market for defence without indicating a new date for its publication, and urges the Commission to present it as soon as possible with a commitment to harmonising testing and certification frameworks, clarification on the use of Article 346 TFEU and a further revision of the intra-EU transfers regime, as set out in Parliament's resolution of 11 March 2026 on tackling barriers to the single market for defence[9];

Access to finance and funding coherence

39. Welcomes the European Innovation Council's provision of funding to dual-use start-ups and SMEs as well as the direct EU equity investment in defence start-ups, including the Scaleup Europe Fund and the Defence Equity Facility 2.0; calls on the Commission to ensure that these instruments also cover defence-first companies and enable spin-in and spin-out between civilian and defence research; notes that, while early-stage EU defence funding is improving, a critical gap remains at the growth stage where such investment is dependent on the expectation of contracts, and that without procurement reform, this capital gap cannot be closed by financial instruments alone;

40. Welcomes the quadrupling of EIB defence financing and calls on the EIB to further develop its guarantee, lending, venture debt and working capital instruments, making them accessible to early-stage defence companies that do not yet have an established position in supply chains across all Member States, including those that have less developed financial ecosystems; considers that this would strengthen the geographical balance of the EDTIB, enhance military mobility and increase the EU's capacity to scale innovative defence solutions close to areas of strategic relevance, including the eastern flank; supports, in this regard, the development of new multilateral initiatives, such as the Defence, Security and Resilience Bank (DSRB), which can fill the existing gaps in financing defence, security and resilience;

41. Stresses the need for coherence across all EU funding instruments so that companies can consult a single, accessible framework rather than navigating a fragmented landscape of overlapping programmes, recalling that industry needs a clear 5-10 year view of EU and Member State capability priorities in order to invest in people, infrastructure, certification and production capacity; calls, in this regard, on the Commission to ensure that national initiatives, EU-

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9 OJ C, C/2026/4013, 26.8.2026, ELI: http://data.europa.eu/eli/C/2026/4013/oj.

funded programmes and NATO innovation programmes are coherent with the EU's Coordinated Annual Review on Defence (CARD) and NATO's Defence Planning Process (NDPP), and that information on available opportunities, testing facilities and support services is centralised and easily accessible to new defence actors and SMEs, including through the dedicated platform proposed above, while ensuring a geographically balanced distribution of support across the EU and participation by regions under heightened security risks;

42. Stresses that access to finance must also be improved through better liquidity conditions across the defence supply chain and notes that the non-respect of applicable short payment terms in public defence contracts prevents prime contractors from being able to provide earlier payments to suppliers; acknowledges, additionally, that strengthening public credit guarantees by the Commission and the Member States for lenders financing the European defence industry, including SMEs and start-ups, would de-risk private lending, improve bankability and crowd in additional private capital;

43. Is concerned that European defence companies are forced to sell to non-EU investors or relocate because of a lack of available and willing capital within the EU; considers that defence investment contributes to the EU's common priorities such as strategic autonomy and resilience and calls on the Commission and the Member States to remove unjustified barriers, including in investment mandates, that prevent European private capital from reaching European defence companies before they are acquired by, or become dependent on, non-EU investors;

44. Supports the use of robust security-of-supply requirements and enhanced foreign ownership screening provisions within EU-funded defence instruments, ensuring that defence SMEs benefiting from such programmes remain under the control of EU investors; calls, furthermore, on the Member States to ensure effective foreign direct investment (FDI) screening for any defence and dual-use innovative start-ups and scale-ups, in line with applicable EU and national frameworks; invites the Commission to assess whether existing EDF scoring incentives sufficiently support multinational consortia, shared platforms, high EU-origin content and vendors sourcing components from within the EU; notes that such measures should be implemented without creating disproportionate administrative barriers or unnecessary legal uncertainty;

Certification and testing

45. Calls for the EU to better coordinate with Member States in developing mutual recognition of defence product certifications across the EU; notes, with concern, that for defence, aerospace, AI, cyber and dual-use technologies, the cost of certification, security

assessment, testing and qualification can be as high as, or higher than, the original development cost;

46. Calls, furthermore, on the Commission and the EDA, in consultation with industry, to evaluate and develop legally binding measures in the form of a regulation establishing a single certification framework and a test-once principle, in line with NATO standards, in order to avoid duplicative national testing procedures; stresses that such a framework should ensure mutual recognition while allowing additional testing only where duly justified by Member States' specific security, climatic, seasonal or operational requirements, and should not seek to impose a single European military standard for every capability;

47. Welcomes NATO's Rapid Adoption Action Plan, including its objective of accelerating the adoption of new technological products, in most cases within 24 months, and its proposed use of Innovation Badges to build trust in tested products; calls for the EU to recognise these badges within its own instruments, integrating them as a step within the suggested EU-level certification framework; highlights, furthermore, that such a framework should build on NATO's and the EDA's work and suggests that it could initially focus on technology domains where common standards are more readily achievable, such as cyber systems, software, sensors and communications equipment; supports, in this regard, the conclusion of agreements by willing Member States on mutual recognition of defence testing and certification results, as long as the eligibility rules of each instrument are respected;

48. Calls on the Commission and the Member States to introduce simplified codification, qualification and admission-to-service pathways for fast-developing technologies, including initial operational capability as a standard intermediate phase in the defence innovation cycle, allowing innovative technologies to enter limited operational use, receive iterative feedback from armed forces and scale gradually, and allowing components such as payloads, radios or sensors to be upgraded without full platform recertification;

49. Calls on the European Union Aviation Safety Agency (EASA) and the EDA to streamline certification and airworthiness standards to speed up integration and reduce duplication in the testing and credentialling of defence technologies, emphasising the specific need for UAS and C-UAS testing, production and training hubs, certification and interoperability across the EU;

50. Underlines that, for SMEs, and consequently for the good functioning of the EU defence market, testing (i.e. conducting field trials, meeting safety requirements, undergoing certification and operational demonstrations) is necessary to enable technological

validation, establish the credibility of the tested products and facilitate investments, as both investors and public authorities are likely to invest more in products that have already been tested and proven successful;

51. Recognises that continuous testing cycles are important due to the rapid tactical changes occurring in modern warfare and calls for the rapid expansion of certified testing, demonstration and validation facilities for training on and the integration of emerging defence capabilities, including by reforming outdated barriers at national and EU level, such as the cost of repeated access to test centres, administrative requirements for security clearances, export controls and insurance, certification backlogs and the priority given by certain national centres to domestic firms; suggests removing non-critical security requirements in early testing to enable non-traditional vendors to participate in defence innovation;

52. Stresses that effective defence testing and evaluation requires not just physical facilities, but a functioning ecosystem and operational feedback loops, connecting military operators, companies, procurement authorities and evaluation expertise through ongoing interaction; notes, therefore, that the complexity of separate national defence markets and access to these feedback loops are a significant bottleneck for SMEs seeking iterative feedback during product development; highlights, furthermore, that priority should be given to the creation of instruments and infrastructure where industry and armed forces can rapidly co-develop, test and iterate solutions in operational conditions and that successful iterative development should be followed up by real contracts;

53. Calls on the Commission and the Member States to explore incentives for large companies, especially those engaging in integration partnerships and receiving EU or national funding, to open their testing facilities to SMEs and start-ups on fair commercial terms provided that the commercial sensitivity of information is not put at risk; calls, furthermore, on the Commission and the EDA to scale up operational experimentation campaigns, including through HEDI, ensure testing facilities across EU and NATO networks are accessible to EU-funded programme participants, and consider the creation of dedicated European testing facilities open to all EU-funded SMEs;

54. Notes that the nine Member State-led Capability Coalitions established under the Defence Readiness Roadmap 2030 are the main vehicle for closing priority capability gaps through joint procurement and development, but are not linked to accessible testing infrastructure for innovative companies developing the emerging technologies needed to deliver those capabilities; calls on the Commission and the EDA to ensure that each coalition includes a dedicated testing and demonstration component open to start-ups

and SMEs; supports the approach of smaller Member States offering specialised testing facilities in niche capability areas where they have emerging strengths;

55. Calls on the Commission and the Member States to allocate dedicated funding, especially in support of start-ups, SMEs and new defence actors, under the next multiannual financial framework for defence testing infrastructure, with the goal of significantly expanding its capacity and improving accessibility, including support for the costs of accessing test ranges, certification-related testing and operational demonstrations where such costs constitute a disproportionate barrier for SMEs, start-ups and new defence actors in bringing innovative products from prototype stage to operational readiness, and creating a federated network of defence testing facilities throughout the EU, building on the EUDIS Innovation Test Hubs and the European Network of Defence-related Regions;

56. Supports the joint establishment of NATO Innovation Ranges and large open-air testing areas where armed forces and vendors can engage in year-round testing and the introduction of voucher-based systems to reduce associated costs; stresses that defence testing facilities should be co-located, where possible, with regional defence and security innovation clusters and to support their cross-border cooperation, while ensuring adequate geographical access across the EU, including additional defence innovation, testing and validation capacity in eastern flank Member States;

Skills and talent

57. Stresses that the successful deployment of innovative defence technologies depends not only on industrial capacity, but also on the availability of highly qualified personnel; calls, in that regard, on the Commission, the EDA and the Member States to support training, reskilling and upskilling, including in service academies and military colleges, on strategic defence technologies such as AI, cyber, quantum technologies, autonomous systems and advanced manufacturing;

58. Calls on the Commission and the Member States to consider EU skills funding to help retain defence innovation expertise, including retired military personnel, within national innovation ecosystems, including stronger cooperation between universities, technology centres, trade union organisations, innovation hubs, defence industries and armed forces, in order to develop the skills ecosystem necessary to support European defence innovation and industrial competitiveness;

Fair market access and intellectual property

59. Notes that start-ups and SMEs must be treated as technology owners and capability providers with fair and proportionate opportunities for

companies from all Member States; notes, in particular, that these companies should be able to provide, integrate, maintain and upgrade technologies, including through access to relevant technical information held by the specific system owner or incumbent supplier and, where security requirements permit, through the use of open and modular architecture and interfaces;

60. Stresses, therefore, that EU defence innovation and scale-up instruments should include meaningful participation by SMEs, start-ups, mid-caps and specialised suppliers from across the EU, including from Member States with less developed defence industrial bases; acknowledges that relevant instruments should remain open to consortia led by established defence companies where the prime contractor assumes responsibility for integration, testing, certification and delivery;

61. Underlines the importance of protecting intellectual property (IP) from the earliest stages of defence innovation and calls on the Commission to ensure that the practice of applying intellectual property rights (IPR) regimes in EU defence programmes protects small innovators from appropriation by consortium partners and guarantees that the ownership of collaboratively generated results remains with the consortium partners that generated them; calls also on the Commission to provide IPR education and advisory services, such as rapid patentability assessments, freedom-to-operate checks, IP strategy advice, ownership guidance and confidentiality support, as a standard component of EU defence innovation support, as well as to ensure that IP and critical defence know-how developed with EU support remain protected from loss of ownership, forced dependency or value capture outside Europe;

62. Stresses that EU support should create the conditions under which the next generation of European defence companies can grow into autonomous players; calls, therefore, on the Commission to expand mechanisms to incentivise prime contractors to work with SMEs and start-ups, including through mandatory subcontracting thresholds for innovative SMEs, transparent cross-border subcontracting opportunities, supplier matching and industrial cooperation arrangements, as well as expanded single-beneficiary funding options for EU companies in EU-funded defence consortia;

63. Notes, furthermore, that this cooperation should be conducted through genuine technological innovation rather than ancillary support services, ensuring that prime contractors cannot fulfil subcontracting obligations through commercial off-the-shelf procurement or low-technology supply relationships; stresses the need for robust due diligence measures to ensure that companies participating in EU defence programmes do not contravene the security and defence interests of the EU and its Member States;

Ukraine: cooperation and lessons learnt

64. Welcomes the successful examples of structured defence innovation cooperation with Ukraine where Member States have established joint ventures or contracts to facilitate technology exchange and the integration of Ukrainian know-how into EU military capabilities; welcomes, furthermore, the inclusion of Ukraine in the SAFE, EDIP, EDF and AGILE instruments, and the creation of the BraveTechEU partnership; calls for synergy between EU cooperation with Ukraine and the NATO-Ukraine Innovation Cooperation Roadmap as a key means of establishing closer ties between research institutions and defence industries, streamlining innovation pipelines and enabling rapid prototyping and deployment;

65. Underlines that Ukraine’s defence innovation ecosystem operates at an unmatched speed, with iterative cycles of development, battlefield testing and adaptation often measured in weeks; notes that Ukraine’s reform of its procurement processes has reduced acquisition times from 2-3 years to 2-3 months and that the Brave1 initiative has compressed defence certification from years to months; encourages EU programmes, therefore, to allow more rapid scaling of SMEs via a series of funding rounds that support early growth and access to capital, product development, testing and evaluation, building on the BraveTechEU initiative, including by supporting permanent innovation units and training across national security services where commercial technologies are tested in real operational settings and by end-users;

66. Recognises, in particular, that the combat-driven innovation process in Ukraine, such as the ability to move rapidly from battlefield testing to technological adaptation, production and deployment under constant financial pressure and the swift, cost-effective upgrade and enhancement of existing products, generates unique knowledge about the performance of emerging technologies, including UAS and C-UAS systems, electronic warfare, software and battlefield data integration solutions under real conditions; notes that this knowledge is critical for the EU and its Member States in developing capabilities that can credibly deter future aggression; calls for the expansion of joint military exercises between the Member States and Ukraine, including within common security and defence policy (CSDP) training frameworks and the EU Rapid Deployment Capacity, in coordination with the NATO-Ukraine Joint Analysis Training and Education Centre;

67. Stresses, furthermore, that facilitating European companies’ access to this operational learning and battlefield-tested expertise, including through joint development, co-production and structured feedback from Ukrainian military users, engineers, instructors, procurement specialists and commanders, would serve the EU’s own defence readiness and should be treated as a strategic priority; calls for these

practices to be assessed, shared with European SMEs and, where appropriate, adapted to the EDTIB; underlines that such cooperation must be reciprocal, with Ukraine benefiting in turn from European technology, industrial capacity, investment and structured partnership;

68. Calls on the Member States and the EDA to draw on Ukraine's experience in compressing innovation, procurement, certification and capability development timelines when reforming their national defence innovation processes; stresses that Ukraine's experience shows that military advantage depends not only on innovation speed before procurement, but also on adaptation speed after deployment and that national defence innovation instruments should support continuous operational feedback, continuous upgrades and the rapid adaptation of fielded capabilities to evolving threats;

69. Encourages, in particular, the rapid alignment of drone doctrine with Ukraine and stresses the need for the iterative development and testing of drone systems, especially software-defined ones, to ensure their adaptability and responsiveness to emerging threats; supports, in this regard, the joint training and certification of drone pilots with Ukraine and increased investment in counter-drone measures, such as the modification of tanks and armoured personnel carriers, the hardening of jamming capabilities and the establishment of drone defence zones around critical infrastructure;

70. Calls on the EDA and the Commission to explore measures to fast-track European SME deployment of high-impact defence systems in a way that enables these SMEs to pursue export opportunities beyond the EU so as to ensure their commercial viability, in line with the EU's common position on arms exports, while simultaneously developing European defence capabilities and facilitating integration with the Ukrainian Armed Forces;

71. Calls on the Commission to ensure that all future EU defence instruments continue to expand access for Ukrainian companies and facilitate technology exchange with EU companies in order to build long-term partnerships; calls on the Commission and the Member States to incentivise venture capital and other private funding to invest in Ukraine's defence and technology industry and to ensure that demand for Ukrainian-developed innovative defence technologies is maintained in long-term capability planning and procurement commitments;

72. Notes that since Ukrainian companies are subject to security requirements equivalent to those applicable to EU companies, the Member States and the EU should pursue a regulatory environment and procurement processes that, on the basis of mutually beneficial strategic interdependencies, coordinate and integrate the current European ecosystem with Ukraine, Norway and other strategic

partners, such as the United Kingdom, Canada, Australia, Japan, South Korea and the United States;

73. Acknowledges that Ukraine’s accession to the EU would facilitate the sharing of military capabilities and would provide European defence industries with more direct access to Ukrainian operational experience, and Ukrainian companies with more access to European technology and industrial capacity;

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74. Instructs its President to forward this resolution to the Council and the Commission.