

# Incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan

2025/0103(COD) - 30/09/2025 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Rihards KOLS (ECR, LV) on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153, (EU) 2023/1525 and 2024/795, as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan.

The committee responsible recommended that the position adopted at first reading by the European Parliament should amend the proposal.

The proposed amendments do not create new funding instruments, but rather introduce targeted and legally coherent adjustments to existing Union programmes under the current Multiannual Financial Framework (MFF).

## *Programme for a Digital Europe*

The Programme should aim, *inter alia*, to:

- widen the diffusion and uptake of Europe's key digital technologies, promoting the digital transformation, access to digital technologies and increasing the resilience against **hybrid warfare in the digital domain**;
- support and accelerate dual-use projects, services, skills and applications that strengthen **societal resilience**;
- support the development and best possible use of European knowledge, capacities and skills in **cybersecurity** and the fight against hybrid warfare in the digital domain;
- support the development of **advanced threat intelligence and cyber defence capabilities** tailored to defence infrastructure, including secure-by-design hardware, intrusion-resilient systems and cryptographic technologies;
- support the **civil protection** sector.

For calls for proposals intended to support dual-use technologies, services, competences or applications, projects with a trans-European dimension will be given priority where multiple applications are submitted.

## *Support for dual-use research under Horizon Europe*

The report called for targeted changes to the Horizon Europe framework programme to enable controlled support for dual-use research, in particular through the European Innovation Council (EIC) Accelerator. By way of derogation, support could include possible **civilian dual-use applications**, provided that these applications are primarily designed for civilian use.

## *European Defence Fund*

The Fund should be open to the participation of **Ukraine**. The Commission should support actions that promote the development of **disruptive defence technologies**. An action that has received a contribution from another Union programme could also receive a contribution from the Programme, provided that the contributions do not cover the same costs.

An eligible action could cover activities that **foster collaboration between European and Ukrainian DTIBs** around the development, prototyping, or testing of new products or technologies, including disruptive technologies for defence, and that facilitate progressive integration of industrial bases and technology transfers’.

For certain activities, the Fund's support should not exceed 20% of the eligible costs, except when these activities are carried out by a consortium composed exclusively of **SMEs or small mid-cap companies**, in which case the support could reach a maximum of 40% of the eligible costs. An activity could benefit from a **financing rate increased by 10 percentage points** if at least 15% of the total eligible costs of the activity are allocated to entities established in Ukraine.

### ***Connecting Europe Facility (CEF)***

Actions financed under CEF should contribute to the improvement and acceleration of the Trans-European Transport Network (TEN-T) and be designed for interoperability and compatibility with civilian use. The Union should give special consideration to the necessary development of **dual-use fuel infrastructure**, whose core task is to ensure civilian needs, such as ensuring supplies to civil aviation, and that switches to military mode in wartime.

Furthermore, in relation to **military mobility**, there is a need to increase the protection of European territories from conventional military threats. Adapting the TEN-T to dual-use infrastructure requirements may, where appropriate, include measures to safeguard assets intended for civilian–defence use with regard to military counter-mobility and related risks, by designing, reinforcing, and protecting the infrastructure so that it is less vulnerable to disabling, blocking, or destruction by hostile acts, hazards, or sabotage.

In cases where Member States transfer resources allocated to them in shared management to CEF, they should benefit from the **same conditions on pre-financing (30%) and co-financing (up to 100%)** for dual-use transport infrastructure projects as introduced in the ERDF and Cohesion Fund.

### ***Strengthening coherence between NATO and the European Union***

The report recalled that NATO remains the cornerstone of Europe's collective defence architecture. In the face of the persistent threat from Russia, its war of aggression against Ukraine and its increased use of hybrid, cyber and subversive tactics against the EU, Members believe that the EU must **strengthen its practical cooperation with NATO**, NATO members and trusted, like-minded partners, particularly in defence research, capability development, and military mobility.