Basic information

2025/0103(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan Amending Regulation 2021/695 2018/0224(COD) Amending Regulation 2021/694 2018/0227(COD) Amending Regulation 2021/1153 2018/0228(COD) Amending Regulation 2021/697 2018/0254(COD) Amending Regulation 2023/1525 2023/0140(COD) Amending Regulation 2024/795 2023/0199(COD) **Subject** 3.40.09 Defence and arms industry 4.70.01 Structural funds, investment funds in general, programmes 8.70 Budget of the Union	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	KOLS Rihards (ECR)	15/05/2025
	Shadow rapporteur BEKE Wouter (EPP) GONÇALVES Bruno (S&D) THIONNET Pierre-Romain (PfE) LØKKEGAARD Morten (Renew) LAGODINSKY Sergey (Greens/EFA) SARAMO Jussi (The Left) SYPNIEWSKI Marcin (ESN)	

Committee for opinion	Rapporteur for opinion	Appointed
SEDE Security and Defence	REUTEN Thijs (S&D)	15/05/2025
TRAN Transport and Tourism	ŠAREC Marjan (Renew)	03/06/2025

Committee for opinion on the legal basis	Rapporteur for opinion	Appointed

	JURI Legal Affairs	LAGODINSKY Sergey (Greens/EFA)	13/11/2025

Committee for budgetary assessment	Rapporteur for budgetary assessment	Appointed
BUDG Budgets	EHLER Christian (EPP)	22/05/2025

Council of the European Union	
European Commission	

Commission DG	Commissioner
Defence Industry and Space	KUBILIUS Andrius

European Economic and Social Committee
European Committee of the Regions

Key events

Date	Event	Reference	Summary
22/04/2025	Legislative proposal published	COM(2025)0188	Summary
16/06/2025	Committee referral announced in Parliament, 1st reading		
23/09/2025	Vote in committee, 1st reading		
23/09/2025	Committee decision to open interinstitutional negotiations with report adopted in committee		
30/09/2025	Committee report tabled for plenary, 1st reading	A10-0172/2025	Summary
06/10/2025	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
08/10/2025	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
20/11/2025	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE779.649 GEDA/A/(2025)005303	
15/12/2025	Debate in Parliament		
16/12/2025	Decision by Parliament, 1st reading	T10-0320/2025	Summary
16/12/2025	Results of vote in Parliament		
18/12/2025	Act adopted by Council after Parliament's 1st reading		
19/12/2025	Final act signed		
22/12/2025	Final act published in Official Journal		

Technical information	
Procedure reference	2025/0103(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation 2021/695 2018/0224(COD) Amending Regulation 2021/694 2018/0227(COD) Amending Regulation 2021/1153 2018/0228(COD) Amending Regulation 2021/697 2018/0254(COD) Amending Regulation 2023/1525 2023/0140(COD) Amending Regulation 2024/795 2023/0199(COD)
Legal basis	Rules of Procedure EP 41 Rules of Procedure EP 58 Treaty on the Functioning of the European Union TFEU 178-p1 Treaty on the Functioning of the European Union TFEU 173-p3 Treaty on the Functioning of the European Union TFEU 114 Treaty on the Functioning of the European Union TFEU 164 Treaty on the Functioning of the European Union TFEU 182-p5 Treaty on the Functioning of the European Union TFEU 182-p1 Treaty on the Functioning of the European Union TFEU 182-p4 Treaty on the Functioning of the European Union TFEU 183 Treaty on the Functioning of the European Union TFEU 188-p2 Treaty on the Functioning of the European Union TFEU 188 -a1 Treaty on the Functioning of the European Union TFEU 192-p1 Treaty on the Functioning of the European Union TFEU 177-p2 Treaty on the Functioning of the European Union TFEU 177-p1 Treaty on the Functioning of the European Union TFEU 175-p3 Treaty on the Functioning of the European Union TFEU 172
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/10/02710

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE774.253	18/06/2025	
Amendments tabled in committee		PE775.462	02/07/2025	
Committee opinion	BUDG	PE774.231	16/07/2025	
Committee opinion	TRAN	PE774.234	16/07/2025	
Committee opinion	SEDE	PE774.466	07/08/2025	
Committee report tabled for plenary, 1st reading/single reading		A10-0172/2025	30/09/2025	Summary
Text agreed during interinstitutional negotiations		PE779.649	07/11/2025	
Specific opinion	JURI	PE779.731	03/12/2025	
Text adopted by Parliament, 1st reading/single reading		T10-0320/2025	16/12/2025	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2025)005303	07/11/2025	
Draft final act	00054/2025/LEX	17/12/2025	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2025)0188	22/04/2025	Summary
Commission response to text adopted in plenary	SP(2026)02-05	05/02/2026	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2025)0188	11/07/2025	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1682/2025	18/09/2025	
CofR	Committee of the Regions: opinion	CDR1590/2025	15/10/2025	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
KOLS Rihards	Rapporteur	ITRE	03/09/2025	Kongsberg Defence & Aerospace AS
GONÇALVES Bruno	Shadow rapporteur	ITRE	03/09/2025	Tingvoll
KOLS Rihards	Rapporteur	ITRE	02/09/2025	Permanent Representation of Latvia to the EU

LØKKEGAARD Morten	Shadow rapporteur	ITRE	10/04/2025	Terma A/S

Final act

Regulation 2025/2653
OJ OJ L 22.12.2025

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.

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

2025/0103(COD) - 22/04/2025 - Legislative proposal

PURPOSE: to incentivise defence-related investments in the EU budget and strengthen the EU's defence industry and technological base in line with the ReArm Europe Plan.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with Council.

BACKGROUND: the unprecedented geopolitical instability and the rapid deterioration of regional and global threat levels require an urgent and significant step up of the Union spending on research and development, industrial capacity and development of infrastructures connected with security and defence. As identified in the Joint White Paper for European Defence Readiness 2030, the Union should do more to support the urgent need to increase European defence-related investments with the Union budget.

The Strategic Technologies for Europe Platform (STEP) established by Regulation (EU) 2024/795 of the European Parliament and of the Council is an initiative aimed at boosting Union competitiveness by mobilising funds from 11 existing Union programmes towards critical technologies in three strategic sectors: digital technologies and deep tech innovation, clean and resource-efficient technologies, and biotechnologies. As such, it is a good vehicle to mobilise, in a coordinated and synergetic manner, Union resources towards defence, including key digital frontier technologies required for the development of defence products and technologies.

While support to technologies having defence implications is possible today under the three existing strategic sectors identified in STEP, it appears necessary to **increase the potentialities of development of research, industry and innovation in the defence area** by setting out a fourth strategic sector in STEP focused on defence technologies. This new strategic sector should ensure that the STEP incentives are used to increase Union funding in defence technologies and contribute to European competitiveness in line with STEP objectives.

CONTENT: the Commission proposal aims to address the need for **increased and swift investments in defence** and the development of a strong and competitive European defence technological and industrial base (EDTIB), in line with the ReArm Europe Plan. It aims to introduce changes to existing EU programmes, including STEP, as well as to the regulations of other programmes covered by STEP: the European Defence Fund (EDF), the Digital Europe Programme (DEP) and Horizon Europe (HE). In addition, this proposal will also amend the regulation on supporting ammunition production (ASAP) and the Connecting Europe Facility (CEF) to further channel EU funds towards defence industry and technologies.

More specifically, the proposal aims to:

- enable the extension of the Strategic Technologies for Europe Platform (STEP) to cover **defence-related technologies** and products, and to strengthen the **EU's strategic autonomy** in the defence sector;

- amend the European Defence Fund (EDF) to (i) better exploit **synergies** with other Union programmes by allowing for the combination of EDF contributions with other Union programmes for specific actions; (ii) allowing for voluntary transfers of resources allocated to Member States in shared management to the EDF; (iii) streamline the evaluation and funding process the development of disruptive technologies for defence;

- amend the Act in Support of Ammunition Production (ASAP) Regulation to (i) introduce the possibility of **voluntary transfers** of resources allocated to Member States in shared management to ASAP, as well as additional voluntary contributions from Member States or other relevant stakeholders; (ii) extend the application of the ASAP Regulation until 31 December 2026 to ensure continued support for the development of new production capacities for ammunition and related products;

- amend the Digital Europe Programme (DEP) to enhance its focus on **strategic autonomy and competitiveness**, and better support dual-use technologies and applications. This includes the deployment of digital infrastructure such as artificial intelligence, high-performance computing, and cybersecurity, e.g. through the development of AI Factories and Gigafactories. The amendment will also ensure that the programme's funding is used in a way that aligns with the EU's strategic interests, including by adapting eligibility rules for dual-use actions;

- amend Horizon Europe to enable support to projects with **potential dual-use applications** under the European Innovation Council (EIC) Accelerator;

- amend the Connecting Europe Facility (CEF) to **extend its digital sector objectives** to include the deployment and provision of digital capacities such as cloud, AI, and AI Gigafactories, and to contribute to the development of projects of common interest relating to efficient, interconnected and multimodal networks and infrastructure for smart, interoperable, sustainable, inclusive, accessible, safe and secure mobility in accordance with the objectives of Regulation (EU) No 1315/2013.

Budgetary implications

This initiative will be financed by existing resources, within the agreed envelopes of the programmes concerned. The proposal will reinforce the envelop of the EIC by EUR 210 million from the unused amounts and reflows of the EIC pilot of Horizon 2020.

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

2025/0103(COD) - 16/12/2025 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 519 votes to 119, with 25 abstentions, a legislative resolution 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 proposal aims to boost defence-related investments within the EU budget, enabling the Union to strengthen European defence readiness by 2030 and implement the ReArm Europe plan. Key EU funding programmes are therefore being modified to facilitate spending on defence projects.

The position adopted by the European Parliament at first reading amends the proposal as follows:

Programme for a digital Europe

The programme will support and accelerate **dual-use projects, services, competences and applications** that strengthen societal resilience and will aim, *inter alia*, to:

- improve resilience against **cyber and hybrid threats** against critical digital infrastructure and cyberattacks;

- enhance **cooperation between the civil and defence spheres** with regard to dual-use projects, services, competences and applications in cybersecurity, including the development of cybersecurity technologies tailored to defence-related infrastructure.

Actions undertaken under Specific Objective 3 (Cybersecurity) will be implemented primarily through the European Cybersecurity Industrial, Technology and Research Competence Centre and the Network of National Coordination Centres.

For calls for proposals intended to support dual-use technologies, services, competences or applications, the trans-European dimension of the project.

Support for dual-use research within the framework of Horizon Europe

The amended text introduces targeted changes to the Horizon Europe framework programme to enable controlled support for dual-use research, particularly through the European Innovation Council (EIC) Accelerator. By way of exception, the Horizon Europe programme should support civilian applications with military potential (dual use), while advancing civilian application use.

The beneficiary of the Accelerator should be a legal entity qualifying as a **start-up, an SME or, in exceptional cases, as a small mid-cap** intending to scale up, established in a Member State or in an associated country.

With regard to support for innovation in **critical defence technologies**, participation will be limited to legal entities established in the European Union, Ukraine, or an EEA member state associated with Horizon Europe. Legal entities directly or indirectly controlled by a third country other than Ukraine or an EEA member state associated with Horizon Europe, or by legal entities from such a third country, will be excluded from participation.

European Defence Fund

The Fund will be open to **participation from Ukraine** and members of the European Free Trade Association that are members of the European Economic Area. It will support actions that promote the development of disruptive defence technologies.

An action that has received a contribution from another Union programme may also receive a contribution under the Fund, provided that the contributions do not cover the same costs.

Connecting Europe Facility (CEF)

According to the amended text, the general objectives of the CEF are to build, modernise and make resilient trans-European networks in the transport, energy and digital sectors and to facilitate cross-border cooperation in the field of renewable energies, taking into account long-term decarbonisation commitments, and above all ensuring to facilitate synergies between the transport, energy and digital sectors.

In the **digital sector**, actions will aim to contribute to the development of projects of common interest relating to the deployment of very high capacity networks meeting safety and security requirements and access to these networks, including 5G systems, the establishment and deployment of digital capacities such as cloud computing, AI, AI factories and AI gigafactories, and the strengthening of the resilience and capacities of digital backbone networks in the Union territories by linking them to neighbouring territories, as well as the digitalisation of transport and energy networks.

Specific activities within an action may include, where relevant, measures to safeguard the infrastructure for civilian-defence dual use with regard to **military counter-mobility** or to provide **fuel infrastructure** for civilian-defence dual use transport activities.

Subject to the transfer of the necessary resources to the CEF in the context of the mid-term review of programmes in accordance with the regulations on the ERDF and the Cohesion Fund, (i) co-financing rates may be increased by 10 percentage points above the co-financing rate; (ii) actions will be eligible for pre-financing representing at least **20%** of the amount allocated in the grant agreement.

Strategic Technologies for Europe (STEP) Platform

'**Defence technologies**' are added as a fourth strategic sector within the STEP Platform. It is specified that technologies are considered critical when they contribute to reducing or preventing the Union's strategic dependencies and vulnerabilities. By 2 May 2024, the Commission should issue guidance on how the technologies in the sectors covered by the regulation can be considered critical.

The actions supported by the Union programmes concerned could duly take into account the relevant activities carried out by the North Atlantic Treaty Organisation (NATO) and other partners where such activities serve the Union's security and defence interests.