



EU budget set for defence-related boost under new regulation*

Brussels, 22 April 2025

New targeted amendments to existing EU funding programmes will support faster, more flexible and coordinated investments in **Europe's defence technological and industrial base (EDTIB)**. Under a new [**Regulation to stimulate defence-related investments within the EU budget**](#) proposed today by the Commission, the EU will strengthen its [defence Readiness 2030](#) and to implement the [ReArm Europe plan](#).

The proposed changes will enhance the ability of the EU and Member States to develop, scale up and innovate in key defence capabilities, while streamlining access to EU funds for defence-related projects.

The proposal broadens the scope of the **Strategic Technologies for Europe Platform (STEP)** to cover defence-related technologies and products, particularly those identified as priority capabilities in the recent [**White Paper for European Defence - Readiness 2030**](#). This approach ensures that STEP effectively supports the development of cutting-edge technologies essential for the EU's defence preparedness, by awarding selected projects under the European Defence Fund, Horizon Europe, and the Digital Europe Programme with a [STEP Seal](#). The extended scope of STEP is also expected to boost investments in critical technologies for defence under cohesion policy funded by the EU budget, in particular under the specific objectives in the European Regional Development Fund (ERDF) and Cohesion Fund (CF). This approach ensures that STEP effectively supports the development of cutting-edge technologies essential for the EU's defence preparedness.

Through the [**Horizon Europe**](#) regulation, the reach of the European Innovation Council (EIC) will include start-ups working on dual-use and defence-related innovations. The objective is to foster a dynamic innovation ecosystem that speeds up the development and deployment of cutting-edge dual-use and defence technologies, like AI and cybersecurity.

The [**Digital Europe Programme \(DEP\)**](#) should also expand to include **dual-use applications**. This will offer crucial support for defence technologies, particularly in developing and operating AI Gigafactories. These factories are vital for scaling up the production of advanced technologies with dual-use capabilities that are relevant to both civilian and defence sectors.

Building on the recent Commission proposal under the [Cohesion policy mid-term review](#), the Regulation introduces additional flexibility in using EU funding to bolster a robust and competitive European defence industry. In particular, the Regulation includes a 'landing clause' within both the [**European Defence Fund \(EDF\)**](#) and the [**Act in Support of Ammunition Production \(ASAP\)**](#). This provision allows Member States, on a fully voluntary basis, to transfer resources allocated to them under cohesion policy funds to these two programmes. The duration of ASAP is also extended until 31st December 2026.

Lastly, support for military mobility and dual-use digital infrastructure is enhanced through changes to the [**Connecting Europe Facility \(CEF\)**](#). First, it will create more favourable conditions for Member States to transfer cohesion funds to CEF for dual-use transport infrastructure projects. Second, it will expand the CEF digital programme to support dual-use digital capacities, like cloud, AI, and 5G systems among others.

Next Steps

This package of proposed amendments will complement the Omnibus Defence Simplification Package, expected to be presented by the Commission in June 2025. It will further streamline EU regulations and processes to enable faster and more efficient defence investment and cooperation across Member States.

Background

This initiative aligns with the objectives of the joint White Paper for European Defence - Readiness 2030. It sets a clear pathway for the EU to support the development of the defence capabilities needed to protect its citizens, safeguard its values, and respond to a rapidly changing geopolitical environment.

For More Information

[Strategic Technologies for Europe Platform \(STEP\)](#)

[Proposal for a Regulation as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan](#)

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Quote(s):

"By incentivising defence-related investments and supporting innovation in defence technologies, we are ensuring that Europe's defence industry remains competitive, agile, and prepared to respond to evolving security challenges."
Andrius Kubilius, Commissioner for Defence and Space - 22/04/2025

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