

The future of European Defence RD&I: Strategic Investments needed in the ECF

– Joint Communication by EDRIN & EARTO –

30 July 2026

Together [EDRIN](#) and [EARTO](#) welcome the progress made by the European Parliament and the Council in negotiating the specific programme for defence research, development and innovation, which is part of the European Competitiveness Fund (ECF).

At the same time, we view with serious concern the recently proposed cuts to defence research and capability development funding. We recognise the significant budgetary constraints in an increasingly challenging geopolitical environment, which may undermine Europe's ability to maintain open strategic autonomy and respond effectively to emerging security threats. Yet these pressures make strategic investment in research, development and innovation more urgent, rather than optional. To strengthen Europe's resilience, it is more important than ever to maximize the impact of every euro invested through collaborative European research, innovation and capability development efforts.

At a time when Europe's competitiveness, security and freedom are at risk, such cuts send a **counterproductive signal**. They would undermine Europe's competitiveness, weaken collaborative research, development and innovation (RD&I), and stand in direct contradiction to the EU's strategic priorities in the defence domain – precisely when geopolitical competitors are scaling up their investments and when we must show adaptability, resilience and commitment as a Union.

Defence research is not a discretionary upstream activity. It is the foundation upon which future European defence capabilities, technological sovereignty and industrial competitiveness are built. Reducing investment in collaborative defence RD&I today would inevitably weaken Europe's ability to develop the next generation of defence technologies and capabilities, at a time when we need to convert innovation into operational advantage to prepare for current and future challenges and to demonstrate our resilience.

Research and Technology Organisations (RTOs) play a unique role in the European defence RD&I ecosystem by connecting excellence, technology maturation, testing, validation and industrial deployment. RTOs are addressing one of the main challenges in defence innovation, that is, bridging the gap between technological opportunities and concrete operational needs and practical solutions. With innovation cycles compressed to weeks, RTOs shorten timelines by providing innovative solutions, validation and testing that can be iteratively embedded – enabling rapid innovation uptake by the armed forces. Fostering this ecosystem is essential to ensure that research results can effectively translate into operational capabilities at pace.

EDRIN and EARTO advocate for establishing optimal framework conditions for defence research and capability development. This includes in particular:

- **Establish a minimum allocation** for defence research and capability development as an essential building block of a specific programme for defence RD&I. In this regard, we draw attention to Article 182 TFEU, which explicitly mandates a single framework programme for RD&I with a dedicated budget. [As outlined in the EDRIN Analysis of the Proposal for a Regulation on establishing the ECF](#), a standalone earmarking is key to ensuring stability and predictability of investment in this field – particularly for cross-border collaboration, which must remain a strong budgetary priority, reflecting both demand and inflation, **well above the levels set for the EDF in the current programme cycle.**
- **Close the "double funding gap"** created by the proposed elimination of full-cost reimbursement and the reduction of the funding rate for capability development to 50%. Urgent alignment of ECF provisions with established EDF and SAFE provisions is needed: establishing the possibility of full-cost reimbursement for RD&I activities and setting the funding rate for capability development at up to 100% for non-profit entities. This is fully aligned with EDRIN advocacy and the [EARTO Analysis of the EC Regulation Proposal on the ECF](#). Failing this, Europe risks funding shortfalls, reduced participation of leading RTOs, and increased co-financing burdens on Member States. In recognition of the important role RTOs play in defence RD&I, a precedent for this approach already exists: Article 34 of the [Horizon Europe/FP9 Regulation](#) for non-profit legal entities, under which up to 100% of total eligible costs may be reimbursed. As in Horizon Europe, the defence RD&I programme under the ECF should recognise RTOs as a distinct category of non-profit grantees – the so-called REC category – with its corresponding funding rate.
- **Align ECF provisions on intellectual property rights** with established and proven EDF practice. This requires, among other things, a clear distinction between procurement and grants in the RD&I context: for defence RD&I grants, access by granting authorities shall be limited to non-commercial and non-competitive use, with any further access rights subject to separate procurement. Failing this, relevant ECF provisions risk conflicting with national grant law.
- **Establish excellence as the guiding award criterion** for defence research, development and innovation activities.
- **Explicitly support cross-border collaboration** between RTOs and SMEs through evaluation criteria.

Furthermore, it is important to underline that **Horizon Europe is a crucial link in the defence innovation pipeline.** Many innovations have the potential to feed into the defence RD&I stream leading to more robust and widely accepted technologies. The specific attention for **dual use** stresses the relevance of RD&I in Horizon Europe/FP10. **In addition to defence capabilities, strengthening the capabilities of civil protection, law enforcement, critical infrastructures as well as citizens, remains crucial for a secure and resilient Europe.**

The knowledge base provided by Europe's research community serves as a crucial source of technological advantage, enabling the alignment of innovation with capability needs. In times when speed of adaptation and technological advantage are essential for our collective security and resilience, Europe has the opportunity to unlock greater impact through flexible, collaborative and outcome-oriented funding mechanisms that accelerate innovation uptake and capability development.

We stand ready to support this effort with our expertise, evidence-based insights and extensive experience across the European research and defence innovation landscape.

EDRIN – European Defence Research and Innovation Network

Founded in 2019, [EDRIN](#) is the group of independent, solution-driven, not-for-profit Research and Technology Organisations (RTOs). EDRIN comprises nine leading RTOs across Europe with extensive experience in applied defence research and capability development at both national and EU level. EDRIN proactively engages with relevant stakeholders to foster the competitiveness and innovation capacity of the European Defence Technological and Industrial Base (EDTIB).

EARTO - European Association of Research and Technology Organisations

Founded in 1999, [EARTO](#) promotes RTOs and represents their interest in Europe. EARTO network counts over 350 RTOs in more than 32 countries. EARTO members represent 228,000 highly-skilled researchers and engineers managing a wide range of technology infrastructures.

EARTO Working Group Security and Defence Research is composed of over 100 EU Affairs Specialists working within our membership to elaborate and to voice consolidated positions of RTOs and address them to the EC and other bodies.

RTOs - Research and Technology Organisations

From the lab to your everyday life. RTOs innovate to improve your health and well-being, your safety and security, your mobility and connectivity. RTOs' technologies cover all scientific fields. Their work ranges from basic research to new products and services' development. RTOs are non-profit organisations whose core mission is to produce, combine and bridge various types of knowledge, skills and infrastructures to deliver a range of research and development activities in collaboration with public and industrial partners of all sizes. These activities aim to result in technological and social innovations and system solutions that contribute to and mutually reinforce their economic, societal and policy impacts.