



Compromise Amendment 1 (CA 1)

Covers the entire text and all amendments tabled.

Tabled by: EPP, S&D, ECR, RENEW, GREENS/EFA

New or amended text is highlighted in ***bold italics***; deletions are indicated by ~~strike through~~

2026/0078 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on establishing the Programme for agile and rapid defence innovation (AGILE)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3), thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The return of high-intensity warfare brought about by Russia's unprovoked and unjustified war of aggression against Ukraine constitutes an existential challenge for the Union, which requires a significant and lasting increase in the capacity of Member States to reinforce their defence capabilities and readiness. The long-term deterioration of regional and global security requires an in-depth transformation of the European Defence Technological and Industrial Base (EDTIB) to ensure its ability to deliver innovative defence products required by Member States' armed forces in scale and time, in particular in times of war.
- (2) ~~The Member States, in~~ The Heads of State or Government of the Union meeting in Versailles on 11 March 2022, committed to bolster European defence capabilities and to increase their defence expenditure, step up cooperation through joint projects and

¹ OJ C , , p . .

common procurement of defence capabilities, close shortfalls, boost innovation and strengthen and develop the European defence industry.

- (3) Innovation is critical to achieve and support Europe's defence readiness, particularly in today's era of intensifying threats, systemic competition, and geopolitical rivalries. The proliferation of threats has sparked an international arms race and a global technological competition, with emerging and disruptive technologies in fields such as AI, quantum, robotics, cyber and space, playing a decisive role in maintaining strategic advantage and ensuring credible deterrence. Achieving this requires rapid testing, validation and integration of these technologies into defence capabilities, as well as continuous engagement with the technology and innovation ecosystem. ***It also requires that cybersecurity and cyberresilience are integrated throughout the lifecycle of all supported technologies and products, including development, supply chain management, deployment and maintenance phases.***
- (4) The war in Ukraine shows how rapidly defence technologies are evolving. Innovation cycles are becoming faster, which means defence products must adapt rapidly and ***continuously***. These changes are also reshaping battlefield dynamics. ***Russia's war of aggression has underscored the operational relevance of low-cost and software-based solutions that can be iterated quickly and fielded at pace, such as Unmanned Autonomous Systems (UASs), as well as related software, sensors, communications systems and counter-UAS technologies.*** SMEs, including innovative startups and scaleups, often with an important civilian background, play a key role in supporting Ukraine's defence and armed forces. These new defence actors bring faster innovation, greater flexibility, cost-efficient solutions, and new operational ideas and processes. As a result, they are becoming a major driving force in transforming the EDTIB. The joint White Paper European Defence – Readiness 2030 highlights the importance of a strong technological innovation ecosystem. This is essential to ensure that Europe's defence industry ***and the armed forces of the Member States and associated third countries*** can keep pace with the rapidly changing nature of modern warfare, ***where the ability to identify, adapt and field emerging technologies has rapidly become a core operational requirement for modern armed forces.***
- (5) To provide comprehensive support for the collaborative research and development (R&D) of defence products and technologies, the Union has established the European Defence Fund (EDF). With a budget of EUR 7.3 billion under the 2021-2027 MFF, the EDF aims to promote the competitiveness, efficiency and innovation capacity of the EDTIB, as well as reducing fragmentation within the EDTIB. As one of the largest defence R&D programmes in Europe, the EDF supports the collaborative development of the most complex defence systems that no Member State could afford to develop alone. It also supports the development of new European defence supply chains. As part of the EDF, the EU Defence Innovation Scheme (EUDIS) was established in 2022, to provide targeted support to non-traditional defence actors, particularly SMEs and startups, and to lower barriers to market entry. The EUDIS involves several initiatives, such as targeted R&D calls, business acceleration and matchmaking services, hackathons, and equity financing, accounting for around 20% of the EDF budget committed each year. These actions have significantly contributed to expanding the EDTIB and fostering defence innovation capacity across the Union. In addition, the EDF BraveTech EU initiative provides further support for defence innovators, offering them gradual access to funding alongside technology testing and iterative development cycles. It focuses on developing solutions based on defence needs identified by Ukraine, giving Ukrainian industry a direct opportunity to collaborate with EU defence innovators.

- (6) Regulations (EU) 2021/695² and (EU) 2024/795³ enable the European Innovation Council (EIC) Accelerator to support dual-use technologies and stimulate investment in defence technologies under the Strategic Technologies for Europe Platform (STEP). In addition, this Regulation allows for EIC direct support to defence technologies in the form of direct equity financing.
- (7) Regulation (EU) 2025/2653⁴ has also introduced targeted changes to Regulation (EU) 2021/697⁵, particularly with regards to the actions on disruptive technology for defence. Specifically, those changes provide the possibility to define in the work programme the most appropriate forms of selection and award criteria and procedures for each call for project proposals. In addition, Regulation (EU) [reference of defence readiness omnibus], has introduced further amendments to Regulation (EU) 2021/697, expanding this possibility to cover all calls launched under the European Defence Fund, particularly those aimed at SMEs.
- (8) In addition to those substantial efforts, a new programme should be established (the AGILE Programme, ‘the Programme’) to provide rapid, agile and targeted support to SMEs, including innovative start-ups and scaleups insofar as they meet the requirements of the SME definition, to develop innovative defence solutions. The programme should focus on supporting the development and **uptake by Member States** of emerging and disruptive products and technologies for defence up to a high technology readiness level, including the adaptation of civil technologies for defence applications, to address the most urgent capability development needs of Member States and associated third countries, with a particular focus on low cost defence solutions. ***It should also promote the development of critical components for emerging and disruptive products and technologies for defence, reinforcing security of supply and reducing strategic dependencies. The Programme should also promote civil-military synergies and broad participation of innovative entities from all Member States, in particular from those with less developed defence innovation ecosystems or lower participation in existing Union defence programmes. It should contribute to strengthening the inclusiveness, competitiveness and technological resilience of the EDTIB, including by encouraging cooperation across Union industrial value chains and facilitating access for undertakings established in different Member States, while taking into account the Union’s evolving security environment and the need to strengthen defence readiness***

² Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, pp. 1–68, ELI: <http://data.europa.eu/eli/reg/2021/695/oj>).

³ Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (OJ L, 2024/795, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/795/oj>).

⁴ 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 Plan (OJ L, 2025/2653, 22.12.2025, ELI: <http://data.europa.eu/eli/reg/2025/2653/oj>).

⁵ 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 (OJ L 170, 12.5.2021, pp. 149–177, ELI: <http://data.europa.eu/eli/reg/2021/697/oj>).

and resilience across all regions of the Union. The Programme should contribute to strengthening the technological and industrial base of the Union in the field of defence innovation.

- (9) In order to ensure the efficient implementation of the EU budget, the AGILE Programme will be fully complementary to existing EU instruments supporting defence innovation. EUDIS supports non-traditional defence actors within the broader EDF framework, including R&D grants for consortia and other support actions targeting single entities (Business Accelerator, Matchmaking). HEDI, managed by the European Defence Agency (EDA), fosters cooperation among Member States on defence innovation. The EIC is a key EU innovation programme to identify, develop and scale up breakthrough technologies and disruptive innovation. Following the adoption of Regulation (EU) 2025/2653, the EIC STEP Scale Up Scheme will provide direct equity financing to help defence and dual use companies to scale up their innovations. AGILE fills a distinct gap, as it will offer streamlined, direct support to individual SMEs, including innovative startups and scaleups, for the development of innovative solutions and its uptake by Member States and industry, with very short award timelines and a clear link to the capability needs of Member States. ***The Programme could also allow, where appropriate, the participation of small-scale consortia and cooperation with research and technology organisations, technical universities, incubators and other innovation support entities, in order to facilitate the emergence of new entities in the field of defence and strengthen the Union's defence innovation ecosystem.*** It should therefore enable the Union to pilot new approaches to supporting defence innovation, while complementing existing EU instruments across various maturity levels, consortium sizes, timeframes and technological domains. The rapid evolution of defence threats requires a shift towards a more flexible approach to enable innovative companies (particularly SMEs, including innovative startups and scaleups) to respond quickly to identified capability challenges. The Programme should therefore prioritise challenge-based innovation activities with rapid iteration cycles, directly linked to Member States' priority operational requirements. ***Despite the distinct gap filled by AGILE, the Commission should establish synergy pathways enabling the seamless transition of AGILE-funded entities and results into Horizon Europe downstream instruments, including the EIC Accelerator and the EUDIS Business Accelerator, so as to prevent duplication and maximise the lifecycle value of Union-funded innovation.***
- (9a) ***The Programme should be designed and implemented in a manner that ensures complementarity with relevant NATO activities in the field of defence innovation, including the Defence Innovation Accelerator for the North Atlantic (DIANA), the NATO Innovation Fund and the Rapid Adoption Action Plan, in order to maximise efficiency of public spending, ensure interoperability of the products supported and accelerate the development and uptake of emerging and disruptive technologies, while fully respecting the Union's decision-making autonomy.***
- (10) In particular, the Programme should seek to significantly accelerate the innovation cycles of defence products and technologies with high disruptive potential, expected to be ***procured and*** fully exploitable within the next 1 to 3 years. It should ***also support the continuous improvement, or the novel integration, of existing disruptive and innovative defence products and technologies in response to rapidly evolving operational requirements and technological developments.*** It should offer innovators the greatest possible flexibility to propose novel solutions, including from single legal

entities, while allowing for subcontracting of specific tasks or collaboration with other entities during implementation.

- (11) However, the persistent structural challenge for European defence SMEs, including innovative startups and scaleups, is the gap between successful innovation and operational deployment by the armed forces of Member States and associated third countries. To address that gap, the Programme should align with the genuine and prioritised defence needs of Member States and associated third countries. By doing so, it should support the uptake of innovation solutions by their armed forces and defence industry, particularly prime contractors and first-tier subcontractors, ***including through industrial partnerships, transfer of technology and the integration of such solutions into existing industrial systems and supply chains***. The Programme should establish a fast-track process to enable the Union to support the testing and deployment of innovative support mechanisms that address the most urgent defence readiness requirements, including in support of European Readiness Flagships ***and European Defence Projects of Common Interest***. ***Member States should also provide early guarantees to procure successful AGILE projects***.
- (11a) ***Some New Defence actors struggle with the lack of local alternatives from the EDTIB for critical components of defence products, in particular in the context of UAS production. The Programme should also support development actions of SMEs willing to localize production in the Union and associated countries, assisting them with the adaptation of civilian components, including certification and testing.***
- (12) To ~~this~~ ***that*** end, the Programme should support activities involving field testing, experimentation and demonstrations, ***including by drawing on the ongoing work of the EDA, where appropriate***. These activities should allow entities to validate innovative solutions in realistic operational conditions, generating real-time feedback that can be used to refine and improve the solutions through an iterative process. The active involvement of Member States ***relevant industrial actors, such as prime contractors, first-tier subcontractors and innovation support entities***, is crucial at every stage of this process, from setting up testing requirements to assessing demonstrated capabilities. ***Furthermore, the cooperation with and facilitation by system integrators and original equipment manufacturers in the testing and demonstration processes can facilitate the uptake of Programme outcomes***. This will help create credible demand signals and facilitate subsequent procurement decisions. Additionally, the Programme can support the uptake of new technologies and products by aggregating demand, and using innovative procurement mechanisms, such as innovation partnerships. Shared platforms and services can also be developed to address the common operational needs of multiple end users.
- (12 a) ***Where emerging and disruptive products and technologies for defence have successfully undergone testing, experimentation or demonstration, beneficiaries should be supported in identifying credible pathways towards market uptake, scale-up financing and integration into more complex defence systems. To that end, the Programme should facilitate matchmaking and investment-readiness activities involving innovative SMEs, including start-ups and scale-ups, Member States' armed forces, relevant European defence industrial actors, including prime contractors, system integrators and first-tier subcontractors, and private investors, while preserving fair competition, equal treatment and the protection of intellectual property.***

- (13) Space-based capabilities have become indispensable enablers of modern defence and security operations, providing critical functions including intelligence, surveillance and reconnaissance, secure communications, positioning, navigation and timing, and early warning. Moreover, the increasing reliance of armed forces on space-based assets, combined with the growing vulnerability of space infrastructure to threats, make the resilience and responsiveness of the European space sector a strategic priority. Space is identified in the White Paper for European Defence – Readiness 2030 as a key strategic enabler within the priority capability areas established by the EU and its Member States, and the Defence Readiness Roadmap proposes a European Space Shield as a potential flagship initiative. The dual-use nature of space technologies and services means that innovation in the space sector has direct and immediate implications for defence capabilities, and that defence-driven demand can accelerate the development and commercialisation of European space technologies. The Programme should therefore support the development of innovative space-based and space-enabled defence capabilities, by including new entrants and non-traditional actors, to enhance the Union's strategic autonomy in space and strengthen the EDTIB. This includes contributing to the development of a future Earth Observation Governmental Service (EOGS) with autonomous, resilient and defence-grade earth observation capabilities. The Programme should also support activities in the space domain to accelerate the uptake of space-based defence capabilities by Member States, and, by the EU, in line with the Space Programme, the Secure Connectivity Programme or as regards the activities of the EU Satellite Centre (SatCen), while ensuring consistency with the relevant Union space-related initiatives.
- (14) To ensure uniform conditions for implementing this Regulation, implementing powers should be conferred on the Commission for the adoption of work programmes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011⁶. To ensure the swift adoption of these work programmes and, ultimately, the implementation of the Programme for the benefit of the European defence SME ecosystem, the Commission should be able to use the advisory procedure set out in Article 4 of the aforementioned Regulation.
- (15) The work programme should establish challenges, defined as calls for proposals addressing specific defence needs identified in coordination with Member States, based on a structured process involving Member States so that supported projects respond to genuine and prioritised defence needs of Member States, *and on the basis of the EU Capability Priorities derived from the Capability Development Plan and, as appropriate, complemented by the gaps and opportunities identified through the Coordinated Annual Review on Defence (CARD)*. ~~For this purpose, the work programme may also draw on input from major industries and the EDA with a view to addressing specific, mission-driven capability needs.~~ *The European Defence Agency, as the body responsible for the Capability Development Plan and as host of the Hub for EU Defence Innovation (HEDI), and the European External Action Service, including the EU Military Staff, as well as representatives of associated countries, should be closely associated with the identification of challenges. The work programme could, on a strictly advisory basis, draw on input from established defence industry actors, provided that such input does not influence the design of calls for proposals in a manner detrimental to fair competition or to the participation of new*

⁶ [Regulation \(EU\) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers](#)

defence players, in particular SMEs and innovative start-ups and scale-ups. In all cases, priority should be given to challenges that attract the broadest possible support from Member States, reflecting genuine common demand and strategic alignment, and contributing to the defence readiness of the EU as a whole. To cover the full range of innovation, the Programme should also include calls that address broader defence innovation objectives. In the selection of projects under such calls and challenges, the Commission should ensure that the Programme contributes to strengthening defence industrial capacity across the Union as a whole and to addressing urgent and lasting threats.

- (16) The Programme aims to support the innovation efforts of non-traditional defence players, and primarily SMEs, including innovative start-ups and scaleups. By providing targeted support, the Programme seeks to accelerate the maturation and fine-tuning of their disruptive technologies and products, and bring them closer to the market, ultimately enhancing their competitiveness and growth.
- (16a) Russia's war of aggression against Ukraine has caused tremendous damage in Ukraine, with estimated recovery and reconstruction costs of EUR 506 000 000 000 as of 31 December 2024. Moreover, Ukraine has lost access to international financial markets and experienced a significant drop in public revenue, while public expenditure has increased substantially. Against that background, it can be envisaged that Ukraine will have substantive funding needs in the coming years. For that reason, Ukraine should not be required to contribute financially to the Programme in order to be associated to it.***
- (17) As the AGILE Programme aims to support the innovation capacity of the Union's defence industry, only legal entities which are established in the EU or in associated third countries and are not subject to control by non-associated third countries or by non-associated third-country entities should be eligible for support. Additionally, to protect the essential security and defence interests of the Union and its Member States, the infrastructure, facilities, assets and resources of the recipients and subcontractors involved in an action supported by the Programme should be located on the territory of a Member State or of an associated third country for the entire duration of an action, and the recipients should have their executive management structures in the EU or in an associated third country. To safeguard these essential security and defence interests, those eligibility criteria should also apply to funding provided through procurement.
- (18) The interim evaluation of the European Defence Fund (EDF) has shown that the administrative burden and time required to provide guarantees when an EU-established recipient is controlled by a non-associated third country or entity are incompatible with the speed and flexibility necessary for effective programme implementation. To address this challenge and facilitate the swift implementation of the Programme, derogations from the principle that recipients must not be controlled by entities established outside the EU or associated countries should not be permitted. Practice from previous defence industry programmes also indicates that the provision of guarantees results in additional procedural complexity and longer evaluation periods, while removing this exception is unlikely to significantly affect the number of eligible entities.
- (19) To ensure Member States' armed forces can benefit from cutting-edge technologies and innovation, the Programme should be able to provide incentives to attract SMEs, including innovative start-ups and scaleups, established outside the EU or associated third countries but have the potential to contribute significantly to the achievement of the Programme's objectives. To this end, the work programme should be able to

identify certain award procedures under which such SMEs may participate in the AGILE programme even if they do not yet meet the eligibility requirements relating to their establishment or the establishment of their executive management structure in the EU or an associated third country (inducement intervention). Under this approach, recipients would be granted a temporary and conditional waiver of such eligibility requirements, which they would have to comply with within the timeline specified in the legal commitment to receive Union support. The financial interests of the Union should be duly protected, and payments should only be made once the eligibility requirements have been fulfilled by the end of the waiver period.

- (20) To enable the inducement intervention to achieve its intended purpose, it should be possible to derogate from the eligibility requirement that recipients be established and have their executive management structure in the EU or an associated third country to receive Union support, provided such support specifically aims to facilitate compliance with those eligibility requirements, including by covering the costs associated with the relocation of the company or the establishment of its executive management structure within the EU or an associated third country. ***However, in order to safeguard the security and defence interests of the Union and its Member States and to ensure consistency with Union foreign policy objectives, recipients seeking to benefit from inducement interventions that are established in, or subject to control by entities or individuals from third countries whose policies or actions are incompatible with the principles and objectives of the Union's common foreign and security policy, including respect for good neighbourly relations, should not be eligible.***
- (21) Given the need for the actions supported under the AGILE Programme to be implemented within a short timeframe, while minimising the administrative burden on applicants, financing not linked to cost, or simplified cost options, ~~including single lump sums~~, should be used where the Union support is provided in the form of a grant. ***Given the need to ensure swift, accessible and results-oriented support for SMEs, including innovative start-ups and scale-ups, grants under the Programme should take, whenever possible, the form of lump sums as a preferred way of financing in order to reduce administrative burden, increase predictability for recipients and allow them to focus on the achievement of agreed outputs.*** Union support should only be provided in the form of reimbursement of actual eligible costs where the objectives of a specific action cannot be achieved in any other way.
- (22) The functioning of the defence industry ~~sector~~ does not follow the conventional rules and business models that govern more traditional markets. Demand comes almost exclusively from national governments, which also control all acquisition of defence-related products and technologies, including exports. Therefore, the defence industry, in particular small and non-traditional defence innovators, does not engage in substantial self-funded innovation projects, and Member States and associated third countries often fully fund all related costs. Furthermore, these actors face persistent barriers in accessing finance, including co-financing, in particular private finance for investments, due to the risks market actors associate with such investments. Therefore, leveraging public investment for the Union defence ***industry sector*** is vital, given the compelling need to boost investment in defence innovation. As these measures would not otherwise be undertaken, it appears justified that Union financial support can cover up to 100 % of the eligible costs for actions eligible under the AGILE Programme.
- (23) To further simplify and accelerate the submission and evaluation process, ~~the~~ Union support should be provided through a dedicated evaluation procedure, involving certain checks after the award decision has been made. Applicants should be invited to submit

proposals together with a short summary. ~~This~~ **That** summary should be evaluated before the proposals are evaluated in full against the relevant award criteria set out in the work programme. This approach is intended to reduce the administrative burden on applicants and provide financial certainty as quickly as possible, while accepting a reasonable level of financial or legal risk to the Union, proportionate to the objectives pursued. The financial interest of the Union should be duly protected, and no financing should be provided until the ~~full~~ **final** evaluation has been completed.

- (24) For the same purpose, it should be possible to derogate from certain obligations under Regulation (EU, Euratom) 2024/2509 concerning the content of grant applications, the selection criteria, and the evaluation procedure. This would allow the award decision to be adopted and the grant agreement to be signed on the basis of a preliminary assessment of eligibility and selection criteria, relying in particular on applicants' declarations on honour, including with regard to control requirements. The Commission should adopt award decisions without delay and complete the final evaluation of the relevant criteria within four months of the application deadline. The financial interests of the Union should be duly protected, and payments should only be provided once the final evaluation has been completed.
- (25) As an alternative to this accelerated evaluation procedure, and in order for the Union to support innovation solution without initial artificial narrowing or limitation linked to the specific form taken by the Union support, the AGILE Programme should allow for a more flexible and accessible approach to identifying, selecting and supporting innovative projects and ideas, including through instrument-neutral award procedures. Under ~~such an~~ **that** approach, ideas should be assessed and selected based on their merit in contribution to the objectives of the AGILE Programme. The most appropriate and effective budget implementation instrument under the Programme, whether a grant, procurement or another form of support, should be determined only after selection, based on the specific characteristics, requirements and merits of the individual project.
- (26) To remain attractive to a broader range of potential applicants and to address an existing gap in the defence innovation cycle, it is necessary and proportionate to allow for costs incurred before the grant application is submitted to be eligible for funding, as provided for in Article 196(2) of Regulation (EU, Euratom) 2024/2509. The AGILE Programme focuses on late-stage development activities that bridge the critical gap between commercialisation and procurement, bringing emerging and disruptive products and technologies for defence closer to market readiness and operational deployment. Innovative companies, in particular SMEs, often initiate and self-fund development work before formal funding opportunities become available. This will enable the Programme to support critical innovation actions that started up to three months before the closing of the call for proposals to receive ~~EU~~ **Union** support and accelerate their completion, ensuring the timely delivery of results addressing the most urgent challenges faced by the armed forces of Members States and associated third countries.
- (27) Directive 2009/81/EC of the European Parliament and of the Council⁷ provides for a specific exclusion from the obligations ~~it provides~~ for contracts awarded under certain cooperative programmes based on research and development. Following the adoption of Directive XXX [Omnibus directive 2025/0177 (COD)], ~~the defence and security~~

⁷ 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

~~procurement~~ directive **2009/81/EC** makes clear that **a** research and development project managed by **EU Union** institutions or bodies and implemented in accordance with Union rules and funded from the Union budget, constitutes a cooperative programme conducted jointly by at least two Member States and can be continued for the phases after the research and development phase. In this case, contracts awarded under the follow-up programme ~~may also~~ **should also be able to** be excluded. This exemption applies, in particular, to contracts awarded within the framework of projects supported by the **AGILE** Programme.

- (27a) ***Due to the urgent need to support Ukraine with the most innovative and disruptive products from the EDTIB, any product supported by this Programme should be considered eligible for procurement by Ukraine through Regulation (EU) 2026/467 [Ukraine Support Loan].***
- (28) To ensure the security of classified information at the required level, it is essential to comply with the minimum standards on industrial security when signing classified funding and financing agreements. To that end, and in accordance with applicable national laws, the Member States and associated third countries on the territory of which the recipients are established, should establish a security framework - comprising Project Security Instructions and a related Security Classification Guide – in cases where the implementation of the **AGILE** Programme would involve or generate information that warrant a classification level.
- (29) This Regulation should apply without prejudice to **EU Union** competition rules, in particular Articles 101 to 109 ***of the Treaty on the Functioning of the European Union*** (TFEU) and the legal acts that give effect to those Articles.
- (30) ~~Given~~ ***In view of*** the urgent need to support crucial investments in defence capabilities ~~and particularly, in particular~~ in defence innovation in the context of pressing geopolitical challenges it is ***considered*** appropriate ~~to provide for an exception to the eight week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community. On the same basis,~~ ***that*** this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union.
- (31) It is appropriate to lay down an indicative financial envelope for the **AGILE** Programme.
- (32) Regulation (EU, Euratom) 2024/2509 ⁸ ~~applies to the Programme.~~ It lays down the rules on the establishment and the implementation of the general budget of the Union, including the rules on grants, prizes, non-financial donations, procurement, indirect management, financial assistance, financial instruments and budgetary guarantees.
- (33) In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council⁹, Council Regulation (EC,

⁸ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

⁹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1., ELI: <http://data.europa.eu/eli/reg/2013/883/oj>)

Euratom) No 2988/95¹⁰, Council Regulation (Euratom, EC) No 2185/96¹¹ and Council Regulation (EU) 2017/1939¹², the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative penalties.

- (34) In particular, in accordance with Regulations (EU, Euratom) No 883/2013 and (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) *can may* carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) *can may* investigate and prosecute fraud and other illegal activities affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 *of the European Parliament and of the Council*¹³.
- (35) In accordance with Regulation (EU, Euratom) 2024/2509, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, EPPO and the European Court of Auditors and to ensure that any third parties involved in implementing Union funds grant equivalent rights.
- (35a) *The Commission should assess the effectiveness of the Programme with regard to its contribution to strengthening the European defence innovation ecosystem, attracting innovative companies and investment to the Union, accelerating the operational uptake of new technologies and enhancing cooperation between defence actors and the wider deep-tech ecosystem. That assessment should also evaluate whether the implementation mechanisms introduced under the Programme, including accelerated award procedures and flexible forms of Union support, should be expanded, adapted or integrated into future Union defence funding instruments. The results of the evaluation should inform future decisions on the continuation, scaling-up or long-term integration of support for disruptive defence innovation at Union level. To that effect, the Commission should publish an interim report on the implementation of the Programme, including information on the distribution of support among SMEs and the types of SMEs supported, the geographic distribution of supported entities across the Union and associated countries, the thematic distribution of supported activities, and any significant concentrations of funding among recipients or sectors, the effectiveness of simplified award procedures relative to existing EDF benchmarks, and the degree to which funded actions reduced identifiable strategic dependencies. In addition to the interim report, the Commission should publish a final report at the end of the implementation of all the actions carried out by the Programme. The***

¹⁰ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p. 1, ELI: <http://data.europa.eu/eli/reg/1995/2988/oj>).

¹¹ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.96, p. 2, ELI: <http://data.europa.eu/eli/reg/1996/2185/oj>).

¹² Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1, ELI: <http://data.europa.eu/eli/reg/2017/1939/oj>).

¹³ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29, ELI: <http://data.europa.eu/eli/dir/2017/1371/oj>).

reports should be made publicly available and their findings should be presented to the Parliament and the Council. Given the high-risk and high-potential nature of emerging and disruptive defence innovation, the success of the Programme should be assessed at portfolio level. The failure of individual actions to achieve all their expected results should not, in itself, be considered as a failure of the Programme, provided that the portfolio of supported actions generates valuable technological, operational, industrial or investment outcomes, including through testing, validation, integration, market uptake, follow-on investment, lessons learned or the identification of technologies not suitable for further development. The evaluation of the Programme should therefore take into account both successful outcomes and evidence-based learning resulting from unsuccessful or discontinued actions. In light of the evaluation, the Commission should assess whether the Programme, if successful, should be continued, adapted and reinforced under the 2028–2034 Multiannual Financial Framework.

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes the Programme for agile and rapid defence innovation (AGILE the 'Programme') for the period from 1 January 2027 to 31 December 2027, and lays down its objectives and budget, the forms of funding under the Programme and the rules for providing such *the provision of that* funding.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'legal entity' means a legal person created and recognised as such under Union, national or international law, including Structures for European Armament Programme (SEAP), established in accordance with Regulation (EU) 2025/2643, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in Article 200(2), point (c), of Regulation (EU, Euratom) No 2024/2509;
- (2) 'control' means the ability to exercise decisive influence over a legal entity directly, or indirectly through one or more intermediate legal entities;
- (3) 'defence product' means goods, services and works that fall within the scope of Article 2 of Directive 2009/81/EC;
- (4) ~~'emerging and disruptive product or technology for defence' means a defence product or technology that brings about a radical change, including a paradigm shift in the concept and conduct of defence affairs, including by replacing existing defence technologies or rendering them obsolete, and that is expected to be fully exploitable at the end of the action;~~ ***'emerging and disruptive product or technology for defence' means a defence product or technology that: (a) radically transforms the concept or conduct of defence affairs, including by replacing or rendering less effective or obsolete existing products or technologies or by making their use or integration more effective, faster, resilient or cost-efficient ; and (b) is expected to be fully exploitable at the end of the action;***

- (5) ‘small and medium-sized enterprises’ or ‘SMEs’ means small and medium-sized enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC.
- (6) ‘background information’ means any information necessary for, or useful to the implementation of the Programme, generated before or outside the framework of the Action and provided to and used for the purposes of the Action.
- (7) ‘foreground information’ means data, know-how or information generated in the operation of the Programme, whatever its form or nature.

Article 3

Objectives

1. The general objective of the Programme is to support the rapid innovation capacity of SMEs, including innovative start-ups and scaleups, with a view to ~~supporting~~ **increasing** the rapid **and cost-efficient** delivery of emerging and disruptive products and technologies for defence **that** address the most recent and fast evolving challenges faced by Member States’ armed forces, in particular those stemming from Russia’s war of aggression against Ukraine, ~~with a focus on cost efficiency~~. The Programme shall thereby foster the competitiveness of the European Defence Technological and Industrial Base (EDTIB) and contribute to strengthening the Union’s defence readiness, while reducing strategic dependencies on non-associated third countries **across the full defence technology stack. The Programme shall also contribute to closing the capability gaps in operational capabilities of armed forces of Member States and associated countries.**
2. The Programme has the following specific objectives:
 - (a) to significantly accelerate innovation cycles of emerging and disruptive products and technologies for defence developed across the Union by SMEs, including **innovative start-ups and scale-ups**, taking into account the urgent needs of Member States **and associated countries identified with the assistance of the Programme Committee** and tapping into the innovation potential of the Union’s industry as a whole.
 - (aa) **to support the scaling up of start-ups and scale-ups developing emerging and disruptive products and technologies for defence across the Union and their integration with the supply chains of the EDTIB, thereby enhancing the resilience and security of supply for such defence products and technologies across the Union.**
 - (ab) **to facilitate the matchmaking between non-defence and New Defence SMEs and established undertakings of defence supply chains, such as European defence industrial prime contractors, including in regions with less developed defence innovation ecosystems, thereby creating new cross-border supply chains and supporting a more balanced development of defence innovation capacities across the Union.**
 - (b) to ~~support~~ **significantly increase** the uptake by Member States’ **and associated countries**’ armed forces, ~~and European defence industrial prime contractors~~ of emerging and disruptive products and technologies for defence developed by SMEs, including innovative start-ups and scaleups, ~~and their scaling up across Europe~~, thereby reinforcing the technological edge of Member States’ armed

forces and enhancing the resilience and security of supply for such defence products and technologies across the EU.

Article 4

Budget

1. The indicative financial envelope for the implementation of the Programme, between 1 January 2027 and 31 December 2027, shall be EUR 115 000 000 in current prices.
2. Budget commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.
3. Appropriations may be entered in the Union budget beyond 2027 to cover the expenses necessary and to enable the management of actions not completed by the end of the Programme, as well as expenses covering critical operational activities and services.
4. The financial envelope referred to in paragraph 1 of this Article and the amounts of additional resources referred to in Article 5 may also be used for technical and administrative assistance for the implementation of the Programme such as preparatory, monitoring, control, audit and evaluation activities, including the design, set up, testing and certification, operation and maintenance of corporate information technology systems and platforms, *and* as well as information and communication activities, including corporate communication on the political priorities of the Union, and *for* all other technical and administrative assistance or staff-related expenses incurred by the Commission in managing the Programme.

Article 5

Additional resources

1. Member States, ~~EU~~ **Union** institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, may make additional financial or non-financial contributions available to the Programme, or *to* any of its specific activities or objectives referred to in Article 3. Additional financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e) or Article 21(5) of Regulation (EU, Euratom) 2024/2509.
2. Resources allocated to Member States under shared management may, at the request of the Member State concerned, be transferred to the Programme subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 *of the European Parliament and of the Council*. The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a), of Regulation (EU, Euratom) 2024/2509 or indirectly in accordance with **Article 62(1), first subparagraph**, point (c) of that **Regulation** ~~subparagraph~~. Those resources shall be used for the benefit of the Member State concerned. Where the Commission has not entered into a legal commitment under direct or indirect management for additional amounts thus made available to the Instrument, the corresponding uncommitted amounts may, at the request of the Member State concerned, be transferred back to the source programmes, in accordance with the conditions set out in Regulation (EU) 2021/1060.

Article 6

Alternative, combined and cumulative funding

1. The Programme shall be implemented in synergy with other Union programmes. An action that has received a Union contribution from another programme may also receive a contribution under the Programme **provided that those contributions do not cover the same costs**. The rules of the relevant Union programme shall apply to the corresponding contribution, or a single set of rules **of any of the contributing Union programmes** may be applied to all contributions, and a single legal commitment may be concluded. If the Union contribution is based on eligible costs, the cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.
2. Award procedures under the Programme may be jointly conducted under direct or indirect management with Member States, ~~Union~~ EU institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, provided the financial interests of the Union are protected. ~~Those~~ Such procedures shall be subject to a single set of rules and lead to the conclusion of ~~a~~ single legal commitments. For that purpose, the partners to the joint award procedure may make resources available to the Programme in accordance with Article 5 of this Regulation, ~~or~~ The partners may **also** be entrusted with the implementation of the award procedure, where applicable in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509. For the purposes of Article 153(3) of Regulation (EU, Euratom) 2024/2509, ~~in~~ **for** joint award procedures the evaluation committee may be partially composed ~~of~~ by members that are representatives of the partners in that procedure.

Article 7

Third countries associated to the Programme

1. The Programme may be opened to the participation of the following third countries through full or partial association to the Programme, in accordance with the objectives laid down in Article 3 and in accordance with the relevant international agreements or any decisions adopted under those agreements and applicable to:
 - (a) members of the European Free Trade Association, who are members of the European Economic Area;
 - (b) Ukraine, in accordance with the conditions laid down in the EU-Ukraine Association Agreement.
2. The association agreements for participation in the Programmes with the countries referred to in ~~paragraph 1~~ **Article 7(1)** shall:
 - (a) ensure a fair balance as regards the contributions and benefits of the third country participating in the Programme;
 - (b) lay down the conditions ~~for~~ of participation in the Programme, including the calculation of financial contributions, consisting of an operational contribution and a participation fee, to ~~the~~ a programme and its general administrative costs;
 - (c) not confer on the third country any decision-making power in the Programme;

- (d) guarantee the rights of the Union to ensure sound financial management and to protect its financial interests; **and**
 - (e) where relevant, ensure the protection of security and public order interests of the Union.
3. For the purposes of **paragraph 2**, point (d), the associated third country shall grant the necessary rights and access required under Regulations (EU, Euratom) 2024/2509 and (EU, Euratom) No 883/2013, ~~and~~ guarantee that enforcement decisions imposing a pecuniary obligation on the basis of Article 299 TFEU, ~~as well as~~ **and** judgements and orders of the Court of Justice of the European Union, are enforceable and ensure that its competent authorities cooperate with the European Public Prosecutor's Office (EPPO) in the investigations and prosecutions of criminal offences affecting the Union's financial interests in accordance with applicable international agreements or other applicable rules.

Article 8

Implementation and forms of Union funding

1. The Programme shall be implemented in accordance with Regulation (EU, Euratom) 2024/2509, under direct management or under indirect management with entities referred to in Article 62(1), point (c), of that Regulation.
2. ~~Union funding may be provided in any form~~ In accordance with Regulation (EU, Euratom) 2024/2509, **Union funding may be provided in any form.**
3. In accordance with point (a) of Article 196(2) of Regulation (EU, Euratom) 2024/2509, financial contributions may, where relevant and necessary for the implementation of an action, cover actions started and costs incurred prior to the date of the submission of the proposal for those actions, provided that those actions did not start more than three months before the closing of the call for proposals and have not been completed before the signature of the grant agreement.
4. Where Union funding is provided in the form of a grant, funding shall be provided as financing not linked to costs or simplified cost options, in accordance with Regulation (EU, Euratom) 2024/2509. **Whenever possible, grants under the Programme shall take the form of lump sums.** Funding may be provided in the form of actual eligible cost reimbursement only where the objectives of an action cannot be achieved otherwise.
5. In accordance with Article 153(3) of Regulation (EU, Euratom) 2024/2509, the evaluation committee may be composed partially or fully of independent external experts.

Article 9

Eligibility

1. Eligibility criteria shall be set ~~to support achievement of the objectives laid down in Article 3,~~ in accordance with Regulation (EU, Euratom) 2024/2509 **to support the achievement of the objectives laid down in Article 3** and shall apply to all award procedures under the Programme.
2. In award procedures, ~~under direct and indirect management, one or more of the~~ following legal entities may be eligible to receive Union funding:

- (a) entities established in a Member State;
 - (b) entities established in an associated third country;
 - (c) international organisations;
 - (d) *SEAPs*.
3. For actions supported under the Programme as listed in Article 10, with the exception of actions referred to in **Article 10(1)**, point (d) ~~of Article 10(1)~~, recipients of Union funding shall be SMEs. ~~including innovative startups and scaleups, and shall comply with the eligibility requirements set out in this Article.~~
 4. ~~Except for~~ **With the exception of** actions referred to in **Article 10(1)**, point (c) ~~of Article 10(1)~~, recipients **of Union funding** shall be established in the ~~EU~~**Union** or in an associated third country; **and** have their executive management structures **located in the EU or in an associated third country**.
 5. Recipients shall not be subject to control by a non-associated third country or by a non-associated third-country entity.
 6. The infrastructure, facilities, assets and resources of the recipients of Union funding which are used for the purposes of the funded action shall be located on the territory of a Member State or of an associated third country for the entire duration of the action.
 7. Where recipients of Union funding involved in an action have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in an associated third country, they may use their infrastructure, facilities, assets or resources which are located or held outside the territory of the Member States or of the associated third countries, provided that this use does not contravene the security and defence interests of the **Union** ~~EU~~ and its Member States, including respect for the principle of good neighbourly relations, and is consistent with the objectives set out in Article 3. The costs related to activities using such infrastructure, facilities, assets or resources shall not be eligible for support from the Programme.
 8. Legal entities may be deemed to fulfil the eligibility conditions referred to in this paragraph where they have fulfilled equivalent conditions under Regulations (EU) 2018/1092¹⁴, (EU) 2021/697¹⁵, (EU) 2023/1525¹⁶, ~~or~~ (EU) 2023/2418¹⁷ **or (EU)**

¹⁴ Regulation (EU) 2018/1092 of the European Parliament and of the Council of 18 July 2018 establishing the European Defence Industrial Development Programme aiming at supporting the competitiveness and innovation capacity of the Union's defence industry (OJ L 200, 7.8.2018, p. 30, ELI: <http://data.europa.eu/eli/reg/2018/1092/oj>).

¹⁵ 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 (OJ L 170, 12.5.2021, p. 149, ELI: <http://data.europa.eu/eli/reg/2021/697/oj>).

¹⁶ Regulation (EU) 2023/1525 of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP) (OJ L 185, 24.7.2023, p. 7, ELI: <http://data.europa.eu/eli/reg/2023/1525/oj>).

¹⁷ Regulation (EU) 2023/2418 of the European Parliament and of the Council of 18 October 2023 on establishing an instrument for the reinforcement of the European defence industry through common procurement (EDIRPA) (OJ L, 2023/2418, 26.10.2023, ELI: <http://data.europa.eu/eli/reg/2023/2418/oj>).

2025/2643 of the European Parliament and of the Council or under Regulation (EU) 2025/1106¹⁸ and provided that no subsequent changes call into question the fulfilment of those conditions.

9. ~~In award procedures,~~ The following actions shall not be eligible for funding:
- (a) actions or parts *of actions* thereof, that are already fully financed from other public or private sources, ~~except contributions from the Union in the context of synergy actions referred to in Article 6;~~
 - (b) actions for the development of products and technologies the use, development or production of which is prohibited by applicable international law.
 - (ba) actions without appropriate cybersecurity and cyber resilience safeguards, including secure-by-design approaches, supply chain security measures, vulnerability management procedures and resilience testing, where relevant to the supported technology or product.**

Article 10

AGILE Eligible actions

1. Actions eligible for funding under the Programme shall implement the objectives set out in Article 3 ~~of this Regulation~~ and may take one *or more* of the following forms, ~~or a combination thereof~~:
- (a) support for the fast development of emerging and disruptive products and technologies for defence, including where it is based on integration and adaptation of civilian technologies with dual use potential for defence purposes;
 - (aa) support for the fast development of components necessary for the production of emerging and disruptive products and technologies for defence in the context of localization of supply chains in the Union and associated countries;**
 - (b) support for the market uptake of emerging and disruptive products and technologies for defence, including through dedicated and iterative field testing and demonstrations and including through support to aggregation of demand;
 - (ba) support cooperation between SMEs, including innovative start-ups and scale-ups, and European defence industrial prime contractors, system integrators and first-tier subcontractors, with a view to facilitating integration into defence supply chains and operational deployment;**
 - (c) support for *the relocation of* the establishment of an entity or of its executive management structure into the *Union* EU or ~~in~~ to an associated third country for the effective implementation of actions ~~under~~ *referred to in* points (a), (aa) and (b), **where an entity was previously established or its executive management structure was located in a non-associated third country;**

¹⁸ 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, OJ L, 2025/1106, 28.5.2025, ELI: <http://data.europa.eu/eli/reg/2025/1106/oj>

- (d) supporting actions necessary for the effective implementation of actions *referred to in* ~~under~~ points (a), (aa) and (b), including but not limited to qualification, certification, access to infrastructure, access to innovative manufacturing capacities and processes, skills development, *testing and post-testing matchmaking, investment-readiness support and integration support between beneficiaries and Member States' armed forces or between beneficiaries and other European defence industrial actors such as prime contractors, system integrators and first-tier subcontractors*, procurement of studies and ecosystem building and strengthening activities.
2. The Programme may provide support for actions covering the swift upgrade of existing products and technologies provided that the use of pre-existing information, intellectual property, or other rights necessary to carry out the action are not subject to a restriction by a non-associated third country or a non-associated third-country entity directly, or indirectly through one or more intermediary legal entities, which would prevent the effective implementation of the action.
 3. Recipients of the Programme shall benefit, where possible and appropriate, from fast-track access to *Union EU and associated countries'* testing and experimentation facilities and to the EUDIS Business Accelerator, *and products supported by AGILE shall be included by the Commission in the Military Sales Catalogue established under Regulation (EU) 2025/2643 [EDIP]*.
 - 3a. *The Commission shall prioritise the mapping of supply chains linked to emerging and disruptive products and technologies for defence in the context of Article 56 of Regulation (EU) 2025/2643 [EDIP]*.

Article 11

Award criteria

1. Where relevant and appropriate depending on the nature of the award procedure, and in accordance with Regulation (EU, Euratom) 2024/2509, *the* award criteria shall be set out in the work programmes referred to in Article 16 and shall take into account the following principles:
 - (a) disruptiveness potential, *including the potential to bring about a radical change through a new technology or technological solution or through the novel integration, adaptation or more effective, faster or more cost-efficient use of existing technologies, products, processes or operational concepts*;
 - (b) the quality of the proposal and *the* ability to implement the action;
 - (c) the impact in the defence domain, considering the needs of Member States and associated third countries, including with regard to cost-efficiency, speed of delivery, and readiness for operational use.
- 1a. *In addition to the principles listed in paragraph 1, the work programmes referred to in Article 16 may also take into account:*
 - (a) *the increase in security of supply for supply chains of emerging and disruptive products and technologies for defence*;
 - (b) *the potential for market uptake and integration within industrial value chains and the existence of credible procurement pathways*.

2. The work programme referred to in Article 16 shall lay down additional details concerning the application of the award criteria *referred to* ~~laid down~~ in paragraph 1, taking into *account* ~~consideration~~ the objectives of the call for proposals, ~~as well as~~ *and* the selection and evaluation procedures.

Article 12

Selection and award procedure

1. In order to ensure that actions listed in Article 10 can be effectively implemented without undue delay, the work programme may identify award procedures, under direct or indirect management, that ~~benefit from~~ *are subject to* an accelerated and simplified award procedure.
2. By way of derogation from Articles 199, 201 and 203 of Regulation (EU, Euratom) 2024/2509 regarding grants, and Article 170(1), points (b) and (c), and *Article 170(2) of that Regulation* regarding procurement, *the work programme may provide that*, for award procedures identified ~~in the work programme~~ *therein*, the following conditions ~~may~~ apply:
 - (a) Limitation of the requirements for the award decision and signature of legal commitments to a preliminary evaluation of award and exclusion criteria; the award decision may be taken based solely on a self-declaration of applicants and tenderers on selection and eligibility criteria, especially regarding control, without request for corresponding supporting documents during the preliminary evaluation. The Commission shall finalise the final evaluation without undue delay.
 - (b) Notification of the results of the preliminary evaluation to the applicants and tenderers shall be completed within a period specified in the work programme; the award decision shall be taken within a period specified in the work programme.
3. Where the final evaluation referred to in paragraph 2 point (a) concludes that the recipient does not meet all the eligibility and selection criteria, the legal commitment shall be terminated.
4. The work programme may set up targeted two-stage bottom-up award procedures in accordance with the following rules:
 - (a) during the first stage, a call for expression of interest may be launched without specifying the kind of activities or the instrument of budget implementation to be used, to enable applicants and tenderers to submit project proposals or offers for goods, works or services that might contribute to the objectives of this Regulation, as set out in the Work Programme referred to in Article 16.
 - (aa) Proposals and offers shall be evaluated and ranked based on common award criteria, set out in the Work Programme, such as their comparative contribution to the objectives. The evaluation committee shall determine the most appropriate instrument of budget implementation under direct or indirect management, ~~as well as~~ *and* propose the maximum amount and form of the Union contribution.
 - (b) during the second stage, within the available budget, successfully evaluated projects or offers shall be invited to adjust and complete their proposal or offer in accordance with the conclusions of the evaluation committee.

The award procedure shall otherwise proceed in accordance with the rules as set out in Regulation (EU, Euratom) 2024/2509 applicable to the respective instrument of budget implementation.

Article 13

Inducement intervention

1. By way of derogation from Article 9 of this Regulation, the work programme may specify that an award procedure takes the form of an inducement intervention **allowing** ~~to allow~~ for a temporary and conditional **suspension** waiver of compliance with the eligibility **criteria** requirements relating to the place of establishment **of legal entities participating in the Programme** or the **location of their** executive management.
 - ~~1a. Award procedures designated as inducement interventions pursuant to paragraph 1 shall be limited to legal entities that are not established in, and not subject to control, directly or indirectly, by natural or legal persons from, third countries whose policies or actions are determined by the Commission, in consultation with the High Representative of the Union for Foreign Affairs and Security Policy, to be incompatible with the interests and objectives of the Union's common foreign and security policy pursuant to Title V of the Treaty on European Union, or that do not respect the values referred to in Article 2 of the Treaty on European Union. The work programme shall specify the criteria and procedure for making such determinations, which shall be carried out prior to the designation of any inducement intervention.~~
 - 1a. Award procedures designated as inducement interventions pursuant to paragraph 1 shall not contravene the security and defence interests of the Union and its Member States [as established in the framework of the CFSP pursuant to Title V of the TEU,], including respect for the principle of good neighbourly relations, or of associated third countries, and shall be consistent with the objectives set out in Article 3. A waiver of the eligibility criteria pursuant to paragraph 1 shall not apply to legal entities that are established or whose executive management structures are located in third countries that contravene the security and defence interests of the Union and its Member States or of associated third countries.
2. Compliance with the eligibility criteria that have been temporarily **suspended** waived in accordance with paragraph 1 of this article shall be **complied with** achieved and evaluated within a timeframe specified in the legal commitment **within the meaning of Article 2, point 39, of the Regulation (EU, Euratom) 2024/2509**. The Union support shall be provided once all the **eligibility criteria** requirements have been met.
 - 2a Applicants seeking to benefit from an inducement intervention shall provide, together with their application, a declaration confirming that neither the applicant nor any entity exercising control over the applicant, directly or indirectly, is established in or controlled by persons from a third country referred to in paragraph 1a of this Article. The Commission shall verify the accuracy of such declarations as part of the final evaluation referred to in Article 12(2), point (a). Where a declaration is found to be inaccurate, the legal commitment shall be terminated and any Union funding fully recovered.
3. If the eligibility criteria that have been temporarily waived **suspended** in accordance with paragraph 1 of this article are not complied **with** within the specific timeframe

specified in the legal commitment *referred to in paragraph 2*, the action shall be ~~considered~~ *deemed* ineligible and any Union funding shall be fully recovered.

4. For the purpose of this article, no pre-financing shall be paid.
- 4a. ***The total Union funding committed under award procedures designated as inducement interventions pursuant to paragraph 1 shall not exceed 20 % of the total financial envelope referred to in Article 4(1). The Commission shall report to the European Parliament and to the Council on the use of inducement interventions as part of its monitoring obligations under Article 21a 5 of this Regulation.***

Article 14

Funding rates

Without prejudice to Article 193 of Regulation (EU, Euratom) 2024/2509, the Programme may finance up to 100 % of the eligible costs.

Article 15

Ownership of results

1. The results of actions supported by the Programme shall not be subject, *directly or indirectly through one or more intermediate legal entities*, to any control or restriction by non-associated third countries or by non-associated third-country entities, ~~directly, or indirectly through one or more intermediate legal entities, including~~ *with regard to* ~~in terms of~~ technology transfer.
2. This Regulation shall not affect the Member States' discretion as regards their policy on the export of military technology and equipment.
3. Technology transfers shall be carried out in full compliance with the provisions set out in Directive 2009/43/EC *of the European Parliament and of the Council* ~~on~~ simplifying terms and conditions of transfers of defence-related products within the Community and, where relevant, in Regulation (EU) 2021/821 setting up a Union regime for control of exports, brokering, technical assistance, transit and transfer of dual-use items.
4. Without prejudice to paragraph 2 of this article, any transfer of ownership or granting of exclusive licences to a non-associated third country or to a non-associated third-country entity for results generated through the Programme, which takes place within 3 years after the final payment of the action, shall be subject to prior notification and approval by the Commission or the relevant Member State or associated third country authorities under conditions ensuring the protection of the Union's security and defence interests. Where such a transfer of ownership contravenes the security and defence interests of the EU and its Member States or the objectives set out in Article 3, the support provided from the Programme shall be reimbursed.
- 4a. ~~*Where a legal commitment concluded under an inducement intervention is terminated pursuant to Article 13(3) on grounds that the recipient has failed to fulfil the eligibility criteria within the specified timeframe, all foreground information generated in the course of the action up to the date of termination shall be transferred to and become the property of the Union. The Commission shall manage such foreground information in a manner consistent with the security and defence interests of the Union and its Member States, and shall make it available to Member States upon request.*~~

5. Where Union support is provided in the form of the public procurement of a study, results shall be owned by the EU and all Member States or associated third countries shall have the right, free of charge, to a non-exclusive licence for the use of the study upon written request.
6. Where Union support is provided in the form of a grant, EU institutions, bodies, offices or agencies as well as granting authorities shall enjoy upon request royalty-free access rights to results, without impacting the ownership of results, including IPRs on background information, for the only purpose of developing, implementing and monitoring existing Union policies or programmes in the fields of its competence and the right to grant.

Article 16

Work Programme

1. The Programme shall be implemented by a work programme as referred to in Article 110(2) of Regulation (EU, Euratom) 2024/2509.
2. The work programme shall set out in detail the categories of actions **and the topics** to be supported by the Programme. Those categories shall be in line with the objectives referred to **set out** in Article 3.
- 2a. ***The work programme and the challenges therein shall take into account, where relevant, the capability priorities identified in the context of the Common Security and Defence Policy, including the Capability Development Plan and the findings and collaborative opportunities identified through the Coordinated Annual Review on Defence, as well as the views and expertise provided by the European Defence Agency. The Commission shall also take into account, where relevant, lessons learned, project pipelines and results from relevant Union defence innovation initiatives, including EUDIS, in order to ensure complementarity, avoid duplication and facilitate follow-on support for promising technologies. The work programme shall prioritise challenges that respond to urgent and prioritised capability needs shared by several Member States, while preserving the ability of the Programme to support bottom-up emerging and disruptive innovation.***
3. With the exception of the award procedure defined in Article 12(4 5), the work programme shall, **where appropriate**, contain functional requirements ~~where appropriate~~ and shall specify the form of Union funding under Article 8, ~~while not preventing~~ **without restricting** competition ~~among the~~ **across** calls for proposals.
4. The Commission shall adopt the work programme by means of an implementing act. This implementing act shall be adopted in accordance with the advisory procedure referred to in Article 17(3).

Article 17

Committee Procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. The European Defence Agency (EDA) shall be invited to provide its views and expertise to the committee as an observer. The European External Action Service shall also be invited to assist in the work of the committee.

- 2a. *The Commission may, on its own initiative or upon request from one or more Member States, invite, where relevant, representatives of associated countries to attend meetings of the committee. Representatives of associated countries shall not be present during deliberations or participate in voting of the committee.*
3. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Article 18

Relationship with Directive 2009/81/EC

The procurement contract of a Member State concerning any defence product resulting from an action supported under the Programme shall be considered as a contract awarded in the framework of a cooperative programme based on research and development as referred to in Article 13 (c) of Directive 2009/81/EC [following the adoption of Omnibus directive 2025/0177 (COD)].

Article 18a

RAZOM – Rapid AGILE-to-ZSU Onboarding Mechanism –Fast-tracking of procurement for Ukraine

1. *By way of derogation from the eligibility conditions and product schedules laid down in Articles 13 and 14 of Regulation (EU) 2026/467, defence products resulting from actions supported under the AGILE programme shall be eligible for immediate support financing under the Ukraine Support Loan established by Regulation (EU) 2026/467.*
2. *For the purposes of this Article, a defence product shall be considered to result from the AGILE programme where it has been developed or produced, in whole or in part, within the framework of an action that has received financial support under the AGILE programme and has been certified as such by the Commission.*
3. *The derogation provided for in paragraph 1 shall apply only to the extent necessary to enable the support or financing referred to therein and shall not affect the application of any other conditions or obligations under Regulation (EU) 2026/467.*

Article 19

Application of the rules on classified information

1. Within the scope of this Regulation:
 - (a) Member States and associated third countries on whose territory recipients are established shall assess the sensitive nature of the background and foreground information handled during the implementation of the funded actions;-
 - (b) ~~If such~~ **Where that** information bears ~~is subject to~~ a national classification level, the Member States and associated third countries referred to in point (a) shall establish ~~the~~ **an** adequate security framework; in accordance with ~~their~~ national laws and regulations;-

- (c) Each Member State shall ensure ~~that it offers a degree~~ **a level** of protection of EU classified information equivalent to that provided ~~by~~ **for in** the security rules of ~~the Council~~ set out in **Council** Decision 2013/488/EU;
 - (d) The Commission shall protect classified information received in relation to the Programme in accordance with the security rules set out in **Commission** Decision (EU, Euratom) 2015/444.
2. The Commission shall make available an accredited secured exchange system in order to facilitate the exchange of classified and sensitive information between the Commission and the Member States and associated third countries and, where appropriate, with ~~the~~ applicants and ~~the~~ recipients. That system shall take into account Member States' national security regulations.

Article 20

Audits

Audits on the use of the Union contribution carried out by persons or entities, including by persons or entities other than those mandated by the **Union** EU institutions, bodies, offices or agencies, shall form the basis of the overall assurance pursuant to Article 127 of Regulation (EU, Euratom) 2024/2509. The European Court of Auditors shall examine the accounts of all revenue and expenditure of the Union in accordance with Article 287 TFEU.

Article 21

Information, communication and publicity

- 1. Recipients of Union funding shall acknowledge the origin of the funds and ensure the visibility of that funding, including when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
- 2. The Commission shall implement information and communication actions relating to this Regulation, to actions taken **under it** pursuant to this Regulation, and to the results **achieved** obtained.
- 3. Financial resources allocated to the Programme may contribute to the organisation of dissemination activities, match-making events and awareness-raising activities, including to open supply chains to foster the cross-border participation of SMEs. **Such activities shall include measures aimed at ensuring broad awareness of the Programme and facilitating participation across the Union, in particular among SMEs, start-ups and non-traditional defence actors with limited prior participation in Union programmes, as well as measures increasing awareness of match-making opportunities between those and prime contractors.**

Article 21a

Monitoring, evaluation and review

- 1. **The Commission shall monitor the implementation of the Programme and assess its effectiveness in achieving the objectives set out in this Regulation. Given the high-risk and high-potential nature of emerging and disruptive defence innovation, the success of the Programme shall be assessed at portfolio level.**

- 1a. *The Commission shall regularly inform the European Parliament about the implementation of the Programme, including the preparation of work programmes, the definition of challenges, the outcome of award procedures and the overall allocation of Union funding, subject to applicable confidentiality and security requirements.*
2. *By 1st of July 2028, the Commission shall publish an interim report on the implementation of the Programme. That report, shall include:*
 - (a) the distribution of support among SMEs and the types of SMEs supported,*
 - (b) the geographic distribution of supported entities across the Union and associated countries,*
 - (c) the thematic distribution of supported activities,*
 - (d) any significant concentration of funding among recipients or sectors,*
 - (e) the effectiveness of simplified award procedures relative to existing EDF benchmarks;*
 - (f) the degree to which funded actions reduced identifiable strategic dependencies;**And it shall be publicly available.*
- 2a. *A final report shall be published at the end of the implementation of all the actions carried out by the Programme. That report shall also assess the uptake of AGILE-funded solutions by Member States' armed forces. Member States shall provide the Commission with the necessary data for such assessment.*
3. *The Commission shall present the findings of the interim and final reports referred to in paragraphs 2 and 2a to the Parliament and the Council and make those reports publicly available.*

Article 22

Entry into force and application

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.