

Strengthening of European defence capabilities

1. EU defence initiatives must **support NATO's capability targets**, alongside a clear timeline of 2030 at the latest. The focus must be on eliminating critical gaps, including those in **air defence, ammunition, and long-range fire and naval capabilities**.
2. The ability of the **European defence industry to efficiently mass-produce goods required for critical capabilities must increase** already in the next few years. This will require an increase in both EU funding and Member States' defence spending. We support agreeing production targets at the EU level to achieve critical capabilities, as well as the pre-stocking of spare parts for crisis resilience.
3. The European Union's defence initiatives must be **as open as possible to the participation of Ukraine, non-EU NATO allies, and other like-minded third countries**.
4. To boost the EU's defence capabilities faster, we are prepared for a **joint loan backed by the EU budget**, which would provide Member States not only with loans but also grants before the next EU long-term budget period (MFF 2028+). Given that EU defence capabilities are a European public good, Estonia's aim is to find an EU-wide solution that brings as much as solidarity as possible, alongside increases in national defence spending.
5. **Defence projects of common interest** must be achieved with the support of the EU budget. Estonia's priorities are to increase ammunition production and create ammunition depots; create a comprehensive European air and missile defence shield fully integrated with NATO; create an eastern border defence line (the Baltic Defence Line and Eastern Shield initiatives); ensure drone surveillance and counter-drone capabilities; further develop military mobility (with a focus on financing dual-use infrastructure projects); and create a capability for the protection of underwater infrastructure.
6. **Access to private capital** for European defence companies must be improved, including to support the growth phase of companies. To this end, **European Investment Bank restrictions should also be lifted** on purely defence-related products (arms and ammunition). Issues related to treating defence as a sustainable investment must also be resolved.
7. There is an urgent need to create a **single market for European defence**. The EU single market must apply NATO standards, harmonise and simplify the certification and export procedures (licences, permits, certificates) for defence-related products.
8. Requirements for participating in defence and security **procurement** procedures must ensure a level playing field for small and medium-sized enterprises. **Joint procurement** of defence products should be encouraged, and its coordination improved. Member States must retain the competence to decide from whom to procure defence products and equipment, depending on the security situation, to ensure the timely availability of equipment.
9. Participation of SMEs in **EU defence development programmes** (such as the European Defence

Fund and the European Defence Investment Programme) must be made more attainable. Programmes ought to support the development of innovative solutions for which both demand and a market are guaranteed. The innovation cycle of solutions needs to be made much shorter (from idea to marketable product or service in 0.5–1.5 years).

10. **In the areas of space, communications, and cyber-defence**, the availability of remote sensing data needs to be increased, and corresponding dual-use services (such as remote sensing applications, secure communications solutions, precise positioning, and autonomous and cyber-resilient systems) need to be developed with EU support.

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