Armament Industry European Research Group

GREENING DEFENCE: FRAMING THE STAKES FOR INDUSTRIAL AND MILITARY CAPABILITIES

'Soft Power' Meets 'Hard Security': Leveraging Europe's Regulatory Strength for Energy Transformation in Defence

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The Armament Industry European Research Group (Ares Group) was created in 2016 by The French Institute for International and Strategic Affairs (IRIS), who coordinates the Group. The aim of the Ares Group, a high-level network of security and defence specialists across Europe, is to provide a forum to the European armament community, bringing together top defence industrial policy specialists, to encourage fresh strategic thinking in the field, develop innovative policy proposals and conduct studies for public and private actors.

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ABSTRACT

Europe's defence-industrial expansion coincides with the urgent need to accelerate the energy transition and reduce dependencies on imported fossil fuels and critical raw materials. This paper examines how the EU can leverage its regulatory power to align defence spending with wider sustainable transformation objectives. It argues that energy security provides a pragmatic entry point for integrating clean innovation into defence policy, given operational vulnerabilities of conventional fuel systems and rapidly evolving warfare realities. New defence frameworks such as the European Defence Industrial Strategy and Readiness 2030 still pay limited attention to the strategic role of energy transition for military readiness and Europe's broader resilience. The paper outlines opportunities to systematically link defence procurement with clean industrial policy and to foster security-centric energy and material innovation through existing EU legislative and funding instruments. It concludes that achieving regulatory coherence between defence-industrial build-up and energy transition can help to strengthen Europe's technological leadership and strategic autonomy in a volatile geopolitical environment.

Keywords: European Union | Defence | Innovation | Industry | Energy Transition

INTRODUCTION

Europe's rearmament and defence-industrial build-up occur against the backdrop of ongoing efforts to phase-out Russian gas while ensuring stable energy supplies; extremely concentrated mineral and tech supply chains; and pressured trade relations with the US and China. In this quickly changing security environment, the EU's climate policies, which aim to reduce greenhouse gas (GHG) emissions originating mostly from fossil fuels, are increasingly under pressure – not least due to resistance among citizens and companies who are concerned about the investment costs of energy transition. However, Europe's continued dependence on fossil fuels, which require complex logistics and infrastructure – especially in the defence and security sector – conflicts with the goal of 85% domestic emissions reduction by 2040 and climate neutrality by 2050.[1] It also is at odds with the EU's wider strategic autonomy, security of supply and competitiveness objectives in a rapidly transforming global economy.

In its energy consumption, the EU is still highly dependent on imported oil and natural gas[2], despite renewable capacity expansion and electrification having made big strides since 2023.[3] In addition to phasing out gas imports from Russia by 2028, concerns over high energy costs and potential leverage of other key suppliers, such as the US, are featuring at the top of the European policymaking agenda.[4] The three lead reports advising the current European Commission, written by Letta[5], Draghi[6] and Niinistö[7], all underscore the need to boost strategic autonomy in the field of energy by accelerating the energy transition at home. The Letta report pointed to the costs of imported fossil fuels amounting to 4.1% of the EU's GDP in 2022 and still 2.4% in 2023. Draghi highlighted how innovation and support to clean tech can boost the EU's competitiveness. Niinistö, in turn, warned that Europe's fossil dependency on unreliable suppliers leaves it particularly exposed to geopolitical and security risks.

This paper asks what all of this means for the field of defence. Which mechanisms already exist or could be developed at EU level to ensure coherence between Europe's defence-

[1] Council of the EU. (2025). *2040 climate target: Council agrees its position on a 90% emissions reduction.* Press release, 5 November 2025. Retrieved from 2040 climate target: Council agrees its position on a 90% emissions reduction - Consilium

[2] European Union. (2025). *EU energy in figures: Statistical pocketbook 2025*. Retrieved from EU energy in figures - Publications Office of the EU

[3] European Union. (2025). *Climate action progress report 2025: Strengthening competitiveness on the road to climate neutrality.* Retrieved from Climate action progress report 2025 - Publications Office of the EU

[4] Council of the EU. (2025). *Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on phasing out Russian natural gas imports, improving monitoring of potential energy dependencies and amending Regulation (EU) 2017/1938.* Retrieved from https://data.consilium.europa.eu/doc/document/ST-14250-2025-INIT/en/pdf

[5] Letta, E. (2024). *Much more than a market: Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens*, European Commission. Retrieved from https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf4)

[6] Draghi, M. (2024). *The future of European competitiveness: A competitiveness strategy for Europe*, European Commission. Retrieved from 97e481fd-2dc3-412d-be4c-f152a8232961_en

[7] Niinistö, S. (2024). *Safer Together: Strengthening Europe's Civilian and Military Preparedness and Readiness*, European Commission. Retrieved from commission.europa.eu/document/download/5bb2881f-9e29-42f2-8b77-8739b19d047c_en?filename=2024_Niinisto-report_Book_VF.pdf

industrial expansion and its energy transition? To what extent can the EU's regulatory strength, buying power and internal market set standards and boost European companies' competitiveness? In short, how can the EU leverage its 'soft power' to turn its defence-industrial build-up into a sustainable win?

TWO SIDES OF THE SAME COIN: CLIMATE POLICY AND ENERGY SECURITY FOR EUROPE'S RESILIENCE

Today, Europe's energy transition pathway is shaped mainly by supply security and import diversification concerns under the *REPowerEU* action plan[8], but it was motivated by the EU's climate policies and Green Deal.[9] Similarly, the EU introduced its Climate Change and Defence Roadmap[10] already in 2020 to integrate climate resilience into EU security and defence planning, but the intention to act on this agenda has largely been overshadowed by other priorities. Approaching sustainability in defence through energy security instead of climate change might provide a more pragmatic, politically salient pathway. In this context, the energy transition offers a particularly promising avenue, as the defence sector is already a significant driver of innovation in alternative fuel sources and clean technologies. These innovations are being developed in response to power system instability, operational demands and evolving warfare realities, rather than climate or environmental objectives as such. However, investments in e.g., decentralized grid infrastructure inherently strengthen also the *climate* resilience of civilian assets and military operations, achieving defence and environmental objectives simultaneously.

As the authors have argued elsewhere, advancing clean energy innovation in the defence sector is a security imperative.[11] Yet linking the energy transition to Europe's defence-industrial build-up is not straightforward, either. Rather than just purchasing more defence equipment and conventional weapon systems off-the-shelf, the challenge is to also look at wider energy systems underpinning military capabilities and examine how the defence sector can actively shape security-centric energy innovation – notably regarding reliable power supplies and autonomous operations in the field. In this regard, trends such as the rise of electronic drones and hybrid warfare where fossil fuel supply chains are a target, require

[8] European Commission. (2022*). REPowerEU Plan.* COM(2-22) 230 final. Retrieved from https://eur-lex.europa.eu/resource.html?uri=cellar:fc930f14-d7ae-11ec-a95f-01aa75ed71a1.0001.02/DOC_1&format=PDF

[9] Lokenberg, S., Cretti, G. & van Schaik, L. (2023*). A Tale of Two Dependencies: European Strategic Autonomy in the Field of Energy*, European Foreign Affairs Review, 28(4), pp. 417 – 438. Retrieved from https://kluwerlawonline.com/journalarticle/European+Foreign+Affairs+Review/28.4/EERR2023030; and Jerzyniak, T. & Herranz-Surrallés, A. (2024). *EU Geoeconomic Power in the Clean Energy Transition*, Journal of Common Market Studies, 62(4), pp. 1028-1045. Retrieved from https://onlinelibrary.wiley.com/doi/10.1111/jcms.13590

[10] Council of the EU. (2020). *Climate Change and Defence Roadmap*. Retrieved from https://data.consilium.europa.eu/doc/document/ST-12741-2020-INIT/en/pdf

[11] Van Schaik, L. & Lentschig, H. (2025). *Clean innovation in defence is a security imperative*, The Brussels Times. Retrieved from https://www.brusselstimes.com/opinion/1768949/clean-innovation-in-defence-is-a-security-imperative

attention too. Considering defence through an energy security lens can help to identify pathways towards greater local content and sourcing. It can incentivize the development of clean defence technologies as a competitive edge for European industries, which in many cases are already undergoing significant transformation efforts in their civilian-sector activities.

CLEAN ENERGY: THE MISSING DIMENSION IN EUROPE'S DEFENCE-INDUSTRIAL EXPANSION

Strengthening Europe's resilience requires a strategic understanding of how the continent's defence-industrial build-up is powered, and to what extent a systematic alignment with energy transition efforts is mission-critical – to lower costs of operations, boost autonomy in the field and lessen critical infrastructure investments. However, instead of strategically linking *Readiness 2030* with the considerations identified by Letta, Draghi and Niinistö, the EU is slow to connect central dots between readiness, competitiveness and energy security.

Over the past few years/months, the EU has put forward several strategies and frameworks to strengthen the European Defence Technological and Industrial Base (EDTIB), notably the European Defence Industrial Strategy[12] and Programme[13] (EDIS and EDIP) and the *ReArm Europe* or *Readiness 2030* Roadmap, as it was renamed[14]. Yet it is remarkable how little attention these policy documents give to secure energy as an integral part of military mobility, capabilities and equipment, including the critical infrastructure, platforms, weapons systems and fuels needed for military operations and industrial manufacturing. While the EDIS includes a paragraph on "helping the EDTIB contribute to the green transition"[15], its contents remain vague and reflect the rather limited understanding of what defence can contribute to energy transition as part of climate mitigation – namely, by reducing carbon emissions. It does not, however, acknowledge the reverse direction: that is, the critical contribution the transition to cleaner energy could make to Europe's defence and resilience.

[12] European Commission. (2024). *A new European Defence Industrial Strategy: Achieving EU readiness through a responsive and resilient European Defence Industry*. Retrieved from https://defence-industry-space.ec.europa.eu/document/download/643c4a00-0da9-4768-83cd-a5628f5c3063_en?filename=EDIS%20Joint%20Communication.pdf

[13] Council of the EU. (2025). *Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products (EDIP): Final compromise text.* Retrieved from https://data.consilium.europa.eu/doc/document/ST-14814-2025-INIT/en/pdf

[14] European Commission. (2025). *Preserving Peace - Defence Readiness Roadmap 2030.* JOIN(2025) 27 final. Retrieved from https://defence-industry-space.ec.europa.eu/document/download/9db42c04-15c2-42e1-8364-60afb0073e68_en?filename=Joint-Communication%20_Defence-Readiness-Roadmap-2030.pdf

[15] European Commission. (2024). *A new European Defence Industrial Strategy: Achieving EU readiness through a responsive and resilient European Defence Industry.* Retrieved from https://defence-industry-space.ec.europa.eu/document/download/643c4a00-0da9-4768-83cd-a5628f5c3063_en?filename=EDIS%20Joint%20Communication.pdf

This lack of attention to the criticality of energy transition for readiness and military capabilities risks becoming a missed opportunity considering the strategic imperative for Europe to reduce its dependency on imported fossil fuels, the vulnerabilities of oil and gas supply chains and infrastructure militaries rely on, and the operational advantages of clean technologies. It also limits the potential to capitalise on large-scale defence spending for wider societal gains, i.e. by positioning this highly innovative, risk-absorbing sector as a demand lever and key driver of the EU's overall competitiveness in cleantech and other strategic sectors. Whereas Europe's civilian manufacturing sectors are already rapidly decarbonising, no direct connection is made to their integration with the defence industry, even though their agendas significantly overlap – not least in the context of increased "European-made" content requirements.[16]

THE EU SIMPLIFICATION AGENDA: BALANCING READINESS, COMPETITIVENESS AND SUSTAINABILITY

A key effort that is underway and could affect this agenda is "simplification". This aims to boost the competitiveness of European industry, including defence, and centres around cutting red-tape or administrative burdens – including sustainability reporting – to accelerate security-centric spending. The Commission's Defence Readiness Omnibus legislative package[17] targets amendments to the existing regulatory framework of the EU – including the European Defence Fund (EDF)[18], the Defence and Sensitive Security Procurement Directive[19] and the InvestEU Fund[20] – to streamline industrial ramp-up as well as defence procurement, and to incentivize more defence-related investments in line with the priorities of *Readiness 2030*. In this package, the Commission proposes simplifications in both defence-specific and general EU laws to remove regulatory barriers and strengthen defence readiness and industry.

[16] Council of the EU. (2025). *Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products (EDIP): Final compromise text.* Retrieved from https://data.consilium.europa.eu/doc/document/ST-14814-2025-INIT/en/pdf

[17] European Commission. (2025). *Defence Readiness Omnibus*. COM(2025) 820 final. Retrieved from https://defence-industry-space.ec.europa.eu/document/download/b2bcc9a0-5259-4543-9e1c-3af1dde8fbec_en

[18] European Union. (2021). *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. Retrieved from https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0697

[19] European Union. (2009*). 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*, OJ L 216, 20.8.2009. Retrieved from https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009L0081

[20] European Union. (2021). *Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017*, OJ L 107, 26.3.2021.Retrieved from eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0523

Environmentalists fear it may undermine sustainability objectives enshrined in EU regulations. Moreover, prominent economists and – more recently – EU officials have voiced their concerns over the regulatory uncertainty and lack of long-term planning horizon resulting from 'deregulation'.[21] While the implications of the EU's simplification efforts for the military domain are not yet clear, the 'Omnibus' still is a chance to modernise Member States' armed forces and boost EDTIB investments in line with energy transition objectives – if defence-industrial expansion and procurement are strategically linked with wider (societal) resilience needs. Rapidly changing battlefield realities due to evolving means of modern warfare render defence technologies and weapon systems that rely on conventional fuels and infrastructure increasingly costly and vulnerable to coercion. As seen in Russia's war against Ukraine, more flexible, renewables-based energy solutions like portable battery components can increase energy security and lower both troops' and civilians' dependence on fossil fuel supply lines.

Simplified procedures under the EDF and initiatives like the European Innovation Council (EIC) Accelerator, Strategic Technologies for Europe Platform (STEP) and Scaleup Europe Fund, could foster energy innovation for such dual use applications. In addition, a recently approved Council position proposes to open existing EU budget programmes such as Horizon Europe, the Digital Europe Programme, the Connecting Europe Facility and STEP to defence-related investments.[22] This is an opportunity to help institutionalise a cross-sectoral regulatory framework, where innovation in energy, digital and security priorities could positively reinforce each other. By adapting Horizon Europe's eligibility rules to include dual-use activities, the EU already acknowledges that innovation ecosystems must integrate the civilian and the military realm.

[21] European Coalition for Corporate Justice. (2025). *BEYOND SHORT-TERM PROFITS: Why the EU must defend the Corporate Sustainability Due Diligence Directive and the Green Deal*. Retrieved from EN-Economists-Statement-with-signatories-19-May-2025.pdf and Micheletti, F. (2025). *Red-tape cutting has become a 'terrible political spectacle,' EU's Ribera says*, POLITICO. Retrieved from https://www.politico.eu/article/eu-red-tape-cutting-terrible-political-spectacle-teresa-ribera-says/

[22] Council of the EU. (2025). Proposal for a Regulation of the European Parliament and the Council amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153, (EU) 2023/1525 and 2024/795, as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan: - Mandate for negotiations with the European Parliament. 13397/25. Retrieved from https://data.consilium.europa.eu/doc/document/ST-13397-2025-INIT/en/pdf

DEFENCE SPENDING AS A DEMAND LEVER FOR EUROPE'S INDUSTRIAL DECARBONIZATION

EU policymakers hence face complex choices over long-term financing and how to enable strategic investments where energy, industrial and defence priorities overlap. The challenge lies also in avoiding fragmented defence financing and governance which would risk duplication and inefficiency, thereby weakening Europe's strategic autonomy.[23] Rather than enforcing sustainability criteria as external compliance requirements, integrated policymaking could actively aim at stimulating demand for technologies that simultaneously strengthen military capabilities and environmental objectives. Instead of asking whether a project is 'green enough', policymakers could apply a 'security premium', prioritising clean technologies that measurably enhance both civilian energy security and military readiness. Recent shifts at the European Investment Bank (EIB) illustrate how quickly the defence-financing landscape is already evolving.[24]

Looking ahead, the current revision of the Defence and Sensitive Security Procurement Directive could facilitate investments in innovative technologies, low-emission materials and energy efficiency with dual use. One way to incentivize this might be through incorporating life-cycle costs of new defence technologies with a premium on imported fossil fuels, rather than focusing solely on initial acquisition prices. In parallel, the new European Competitiveness Fund (ECF) that will finance activities to boost EU competitiveness in strategic sectors, can play a key role in aligning clean industrial policy with defence applications.[25] As the overarching EU budgetary instrument following the Draghi recommendations, it could help to de-risk and unlock more private capital, for example through InvestEU support for 'low-carbon steel for defence'.

Last but not least, using European defence spending as a demand driver for industrial decarbonization could help to accelerate the energy transition in strategically vital Member States on the eastern flank, such as Poland. Incentivizing the rapid roll-out and deployment of more homegrown renewable energy, materials and technologies could contribute substantially to both military and civilian energy resilience and infrastructure preparedness, strengthening Europe's and NATO's deterrence at large.

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[23] Hildebrand, P., Rey, H. & Schularick, M. (2025). *European defence governance and financing*, Center for Economic Policy Research. Retrieved from https://cepr.org/voxeu/columns/european-defence-governance-and-financing

[24] Scazzieri, L. & Tordoir, S. (2024). European common debt: Is defence different? Centre for European Reform. Retrieved from https://www.cer.eu/publications/archive/policy-brief/2024/european-common-debt-defence-different

[25] European Commission. (2025). *REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing the European Competitiveness Fund ('ECF'), including the specific programme for defence research and innovation activities, repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/697, (EU) 2021/783, repealing provisions of Regulations (EU) 2021/696, (EU) 2023/588, and amending Regulation (EU) [EDIP],* COM(2025) 555 final. Retrieved from https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025PC0555

CRITICAL RAW MATERIALS: SHARED SUPPLY SECURITY RISKS AND INNOVATION NEEDS

Especially in the context of critical raw materials (CRMs) and rare earths, defence financing will likely be critical for Europe's security of supply and future competitiveness. These minerals are not just necessary for energy technologies such as batteries and grids, but also for modern defence systems, including fighter aircraft, military electronics and radar systems. Right now, their refining and processing is concentrated in a few countries, notably China.[26] Beijing's most recent export controls for rare earths have been a stark reminder that Europe's dependencies in strategic sectors can be weaponized – whether that concerns energy, minerals or other critical resources.[27] During the 1970s oil crisis, the response was to build reserves and diversify supply chains. Today, the EU aims to do the same with its Critical Raw Materials Act (CRMA) that focus on domestic extraction, refining and recycling. This is supplemented by other initiatives, such as strategic mineral partnerships, the EU Circular Economy Act and funding under the EU's Horizon programme for the diversification of, and circular innovation in, material inputs.

However, bolder moves might be necessary given the rapidly increasing demand for CRM and highly concentrated supply chains.[28] Europe's defence could help to accelerate the development of strategic reserves and advance domestic projects to produce key materials. The Commission introduced a Stockpiling Strategy[29] in 2025 but it remains unclear whether reserves should be built jointly at EU level or by Member States themselves. Public-private cooperation and information-sharing with the defence industry under the EDIP can help push for an integrated, coordinated approach. The defence sector also has a potentially critical role to play in fostering innovation around circular economy, such as the recycling and reuse of materials, which is crucial to ensure security of supply and to lower the material inputs needed for technologies.

The *RESourceEU* Action Plan[30] recently adopted by the Commission is an opportunity to link defence procurement under the EDIP with circularity objectives, reducing the EU's strategic

[26] Birol, F. (2025). *Nations Rallied To Stop the 1970s Oil Crisis. It's Time To Do The Same For Critical Minerals*, TIME. Retrieved from https://time.com/7315610/critical-mineral-energy-crisis-fatih-birol/

[27] Kim, T. et al. (2025). *With new export controls on critical minerals, supply concentration risks become reality,* International Energy Agency. Retrieved from https://www.iea.org/commentaries/with-new-export-controls-on-critical-minerals-supply-concentration-risks-become-reality

[28] European Institute for Energy Security (EIES). (2025). *Resources for Europe: financing critical mineral supply chains*, Report. Retrieved from https://static1.squarespace.com/static/64f5f132690bb40dc03cfaf4/t/69012ae07e83c41601869d26/1761684192701/EIES+Resources+for+Europe+Financing+critical+mineral+supply+chains+LR.pdf

[29] European Commission. (2025). *EU stockpiling strategy: Boosting the EU's material preparedness for crises*, COM(2025) 528 final. Retrieved from https://civil-protection-humanitarian-aid.ec.europa.eu/document/download/c57d4067-1900-4616-9239-ca4598b55d69_en?filename=COM_2025_528_1_EN_ACT_combined.pdf

[30] European Commission. (2025). *RESourceEU Action Plan: Accelerating our critical raw materials strategy to adapt to a new reality*, COM(2025) 945 final. Retrieved from https://single-market-economy.ec.europa.eu/document/download/01c448d6-dc93-40d7-9afe-4c2af448d00c_en

dependencies on critical resource imports. Starting 2026, it establishes a European CRM Centre for joint stockpiling and financing of strategic projects, in coordination with industry, and foresees an Advanced Materials Act for circular innovation. *RESourceEU* thus explicitly positions defence spending as a demand-side lever to catalyse priority domestic CRM projects and supply diversification. As the defence industry's security of supply objectives under the EDIP/EDIS overlap with the plan's other core target areas – cleantech manufacturing and battery value chains –, reducing CRM dependencies through circularity is a shared security imperative.

MEETING AMBITION WITH ACTION: SYNCING EUROPE'S SUSTAINABLE TRANSFORMATION AND DEFENCE AGENDAS

Looking ahead, strengthening public-private partnerships and alliances between governments, industry and research institutions will be essential to ramp-up and protect critical materials, technologies and infrastructure from coercion and new dependency risks. Anchoring this effort in Europe's wider energy transformation can ensure that resilience and sustainability advance together, safeguarding Europe's position in an increasingly contested global technological landscape. Boosting competitiveness and military capabilities requires not incremental technological progress but a more systemic rethink of how security-driven innovation in materials and energy is financed and integrated into broader sustainable transformation efforts.

Europe's rearmament – like any long-term investment – depends on a shared political vision capable of sustaining public support. To this end, building bridges between stakeholders will be key. A positive example is the Consultation Forum for Sustainable Energy in the Defence and Security Sector (CF SEDSS), managed by the European Defence Agency (EDA) and funded by the Commission's Directorate-General for Energy (DG ENER). It convenes representatives from national Ministries of Defence, the Commission, industry and research. The aim is to provide a platform for dialogue and coordination to enable the alignment of national defence priorities with EU-wide energy transition objectives. The current (fourth) phase until 2028 focuses on energy efficiency, renewable energy integration and energy security.[31] The network can help to incentivize procurement and investment that integrate clean innovation, material security and defence.

[31] European Commission. (2024). *EDA and European Commission sign grant for new phase in defence energy sustainability,* European Climate, Infrastructure and Environment Executive Agency (CINEA). Retrieved from https://cinea.ec.europa.eu/news-events/news/eda-and-european-commission-sign-grant-new-phase-defence-energy-sustainability-2024-12-11_en#:~:text=The%20Consultation%20Forum%20for%20Sustainable%20Energy%20in%20the,greenhouse%20gas%20emissions%20by%202050.%20%C2%A9%20European%20Union

At the same time, ensuring coherence between Europe's defence-industrial expansion and its energy transition will require more than bridge-building and political intent: it will hinge on systematically linking the policy mechanisms that already exist with new strategic frameworks designed for a more volatile, technologically contested geopolitical era. *Readiness 2030* and the EDIS/EDIP framework offer a basis for stronger cooperation between the defence and cleantech industry, if aligned with EU sustainable investment criteria and innovation finance for Europe's energy transition and industrial decarbonization. Similarly, new tools like the ECF can play a catalytic role in incentivizing the linkage of energy, industrial and defence policies via targeted support across shared supply chains and strategic sectors, such as batteries and CRMs.

Ultimately, the effectiveness of any regulatory alignment depends on the EU's ability to prevent new dependencies, and to define and protect its own strategic interests. The necessary policy coherence for this balancing act between openness through external engagement and supply chain cooperation on the one hand, and resilience through strong internal market and industrial policy on the other hand, will not emerge automatically; but with strategic vision, deliberate policy design and joint institutional planning, Europe could turn its regulatory know-how into a secure, sustainable energy win.

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