NATO OFFICIAL TEXT, FULL TEXT

NATO Innovation Scale-Up Package

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Introduction

1. In the lead-up to the 2025 NATO Summit, Allies approved a historically ambitious set of capability targets. Delivering on these targets at speed and at scale is now the focus. Allies have taken important steps to strengthen the growth of defence industrial capacity and production across the Alliance, including through approving and implementing NATO's Rapid Adoption Action Plan[1] and fostering Allied innovation ecosystems[2]. This drive is not only about expanding traditional defence production lines. Allies also require a broader menu of options to choose from to replenish stockpiles and modernise Allied arsenals.

2. New technological products, if available at scale, can provide Allies with this broader menu of options. Non-traditional suppliers are complementing traditional defence firms by proactively developing new products, leveraging public and private financing in anticipation of procurement contracts[3]. This approach, which spans both commercial and defence markets, can drive faster delivery timelines and help ensure that Allies have access to cost-effective solutions.

3. To fully unlock this potential, Allies commit to pursue efforts and create the conditions that enable companies, in particular non-traditional suppliers, to scale their development and production capability and capacity through NATO's Innovation Scale-Up Package. This package will provide a toolbox to build scale today to multiply options tomorrow by (I) asserting Allied demand (II) mobilising private capital providers[4] and (III) facilitating manufacturing.

4. This Innovation Scale-Up Package signals a clear ambition by Allies to strengthen readiness and the Alliance's deterrence and defence posture by improving defence capabilities, industrial capacity, competitiveness and interoperability across the Alliance. The proactive measures in this Package will help Allies balance the need for exquisite, high-end solutions that have longer development and delivery timelines with less expensive, deployable and scalable solutions.

I. Rapid Adoption: Asserting Allied demand

5. Allied contracting of new technological products remains essential to maintain the Alliance's technological edge and to send clear market signals, giving non-traditional suppliers confidence to scale their operations and incentivise private capital providers to invest in such companies.

6. Allies have taken ambitious steps to accelerate the adoption of new technological products, including by delivering on NATO's Rapid Adoption Action Plan agreed at the 2025 NATO Summit. In this Action Plan, Allies committed to find, test and adopt new technological products in general within 24 months[5] by accelerating their procurement and integration, de-risk them, and drive targeted innovation ecosystem engagement. In line with the Action Plan, the

Innovative Solutions Catalogue pilot is already mapping alternative solutions to deliver on capability targets; operational experimentation of new technological products through NATO's Innovation Ranges pilot is underway; and the first successful iteration of Task Force X (Baltic) has provided the basis for further Task Force X activities.

7. Recognising that companies, in particular non-traditional suppliers including small and medium-sized enterprises, require credible adoption pathways to scale, Allies will:

a. Aim to grow the proportion of new technological products adopted in Allied armed forces taking into account the effects-based approach in the NATO Defence Planning process for the fulfilment of capability targets assigned to Allies;

b. Implement agile and flexible procurement procedures able to keep pace with the speed of technological progress;

c. Link new innovation activities, such as innovation challenges or operational experimentation programmes, to pre-identified contracting pathways (including through systems integrators) that enable rapid procurement of tested solutions where relevant to meet essential requirements; and

d. Consider partnerships that prioritise co-design, co-development, co-production and co-sustainment and sharing of key technologies and intellectual property in a way that reinforces NATO while advancing national sovereignty.

8. To help inform Allied innovation ecosystems of Allied needs, at the 2026 Summit NATO has also released the first public version of the NATO innovation demand signal leveraging requirements and NATO's defence planning priorities. In this first iteration, NATO has highlighted the following areas:

a. Enhancing the combat effectiveness of large land formations;

b. Defending against air and missile attacks;

c. Delivering effective deep strike;

d. Providing rapid and scalable medical treatment and evacuation; and

e. Efficient, reliable and adaptable logistics to sustain military operations.

9. This demand signal will be updated when required, taking into account the changing character of warfare and also informed by lessons learned from Ukraine. It will be shared via the new NATO Front Door for Industry and will also guide NATO Enterprise innovation activities to ensure maximum coherence.

10. Allies should complement and augment the NATO innovation demand signal with national efforts, including with information on programmatic funding allocations and information about ongoing acquisition and procurement efforts within these areas.

11. In addition to these efforts, Allies will increase efforts to mentor non-traditional suppliers in their scale-up phase by providing them with tailored access to expertise from industry and governments, helping them navigate existing regulatory frameworks, certification and accreditation pathways, as well as pursuing the industrialisation and commercialisation of their products. NATO will consider how to best cohere and leverage its existing innovation initiatives[6] to provide relevant support.

II. Financing: Call to Action for crowding in Private Capital for Allied Defence Needs

12. Private capital providers enable non-traditional suppliers, including small and medium-sized enterprises, to scale operations by financing product development and production. Private capital providers have the potential to force multiply Allied defence expenditure by further crowding in capital to grow defence industrial capacity and production across the Alliance and deliver on Allied needs. They have already considerably increased capital allocated to defence across the Alliance. This nevertheless still represents a marginal share of the overall private capital market.

13. To enable Allied innovation ecosystems to deliver innovation at scale, it is essential that private capital providers mobilise more capital towards Allied defence needs. As Allies we call on private capital providers from across the Alliance to:

a. Significantly increase the proportion of capital allocated to companies developing and manufacturing new technological products for Allied deterrence and defence over the next three years;

b. Strengthen defence industrial production across the Alliance including by providing financial backing (e.g., equity, debt, loans, guarantees) for more manufacturing, and championing transatlantic defence industrial cooperation;

c. Focus capital primarily in companies and funds located within NATO Allies and promote the use of trusted capital to foster and protect Allied innovation ecosystems; and

d. Promote internal policy approaches that encourage and enable the financing of defence and defence-related activities.

14. At the same time, governments have an important role to play in enabling private capital mobilisation, recognising that market design features can constrain investment. While taking into account the specific nature of the defence sector, Allies should aim to create conditions that support increased capital flows into defence and innovation ecosystems through clearer demand signals, contracting and joint procurement, and proportionate approaches to risk sharing.

15. As Allies, we will pursue actions to attract and mobilise private capital in support of scaling-up defence innovation, consistent with national approaches and strategies and existing financial architectures. These actions may include, but are not limited to:

a. Strengthening domestic venture capital and financing arms to invest in defence;

b. Supporting multinational initiatives to address financing gaps, enable cross-border investment flows, scale and diversify financing sources within the financial architecture;

c. Leveraging public financial institutions to de-risk private investment;

d. Promoting public-private co-investment models, including to expand lending capacity and lower cost of capital;

e. Continuing to leverage DIANA and the NATO Innovation Fund where relevant to amplify these efforts; and

f. Pursuing or supporting implementation of defence industrial strategies that integrate finance and capability development, while incentivising interoperability and joint procurement between Allies.

III. Manufacturing: establishing the NATO Engine

16. Scaling production is a major hurdle for companies, in particular non-traditional suppliers including small and medium-sized enterprises, that do not yet have their own factories or do not have enough production capacity. This impedes these suppliers from offering new technological products to Allies in sufficient quantities and can restrict the options available to Allies.

17. To address this obstacle and scale innovation, Allies will establish the NATO Engine. The NATO Engine will operate as a network bringing manufacturers and factories[7] who have flexible production capacity together with companies, in particular non-traditional suppliers, who require facilities to scale their production under a "contractor- or factory-for-hire" model.

18. The NATO Engine will augment defence and industrial production capacity across the Alliance by facilitating industry access to a broader range of factories, in particular from the civilian sector, to help scale new technological products to meet Allied defence needs. The NATO Engine will also encourage cross-border collaboration.

19. NATO will provide the NATO Engine platform, listing information on available production facilities with leasable capacity[8]. Allies can support the identification of eligible manufacturers and factories, as well as companies that require production capacity, on a voluntary basis. Manufacturers and factories in the NATO Engine network will:

a. Have facilities[9] relevant to Allied defence, security and resilience product needs;

b. Be open to cooperate with companies from all Allies;

c. Be ready to provide relevant information to comply with NATO procedures and to enable commercial arrangements on ownership, beneficiaries, costs, capacity, lead times, approaches to intellectual property rights, and relevant permits; and

d. Take into account relevant national laws and regulations.

20. Companies, in particular non-traditional suppliers, from across the Alliance seeking production capacity and/or manufacturing services will be able to easily apply for access to the platform to identify suitable manufacturers and factories. They can then enter into commercial arrangements to industrialise their production and deliver at scale for Allied defence needs.

21. Commercial arrangements made through the NATO Engine network will be on a business-to-business basis, with no involvement from NATO. Regulatory compliance, for example with export licences, remains the responsibility of the companies involved in each commercial arrangement.

22. The NATO Engine will be launched at the 2026 NATO Summit, with a pilot phase running from July 2026, managed by the NATO Support and Procurement Agency (NSPA). The pilot will build a network of manufacturers and factories, initially in the fields of additive manufacturing, engineering services, and manufacturing-as-a-service. Ukraine will be invited to participate.

Footnotes

1. Summary of NATO's Rapid Adoption Action Plan
2. Including through the NATO Industrial Capacity Expansion Pledge, NATO's Defence Innovation Accelerator for the North Atlantic, innovation activities implemented by Allied Command Transformation, and the NATO Innovation Fund.
3. This proactive approach differs from that of contractors who generally await specific requirements to then develop products for governments under development contracts.

4. Including: banks, pension funds, insurers, private equity and venture capital funds, private lenders, hedge funds, and family offices.
5. Depending on the technological readiness levels (TRL) and the nature of the adopted product, this timeline may vary.
6. Including through DIANA and ACT.
7. These factories could be privately owned, public-private partnerships, state-owned facilities, or research organisations, and/or part of similar national initiatives.
8. If desired by the respective Ally or the manufacturer/factory, in the initial phase information can be anonymised on the platform prior to participants entering into commercial arrangements.
9. Including access to specialised, modular equipment (e.g., 3D printers and critical manufacturing modules), autonomous production methods, and skillsets already found in civilian factories.

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