
THE GEORGE WASHINGTON UNIVERSITY

GOVERNMENT PROCUREMENT LAW PROGRAM

Procurement-for-Innovation: Across Europe

Day 1: Defence and Security

Information: publicprocurementinternational.com

London ● Paris ● Milan

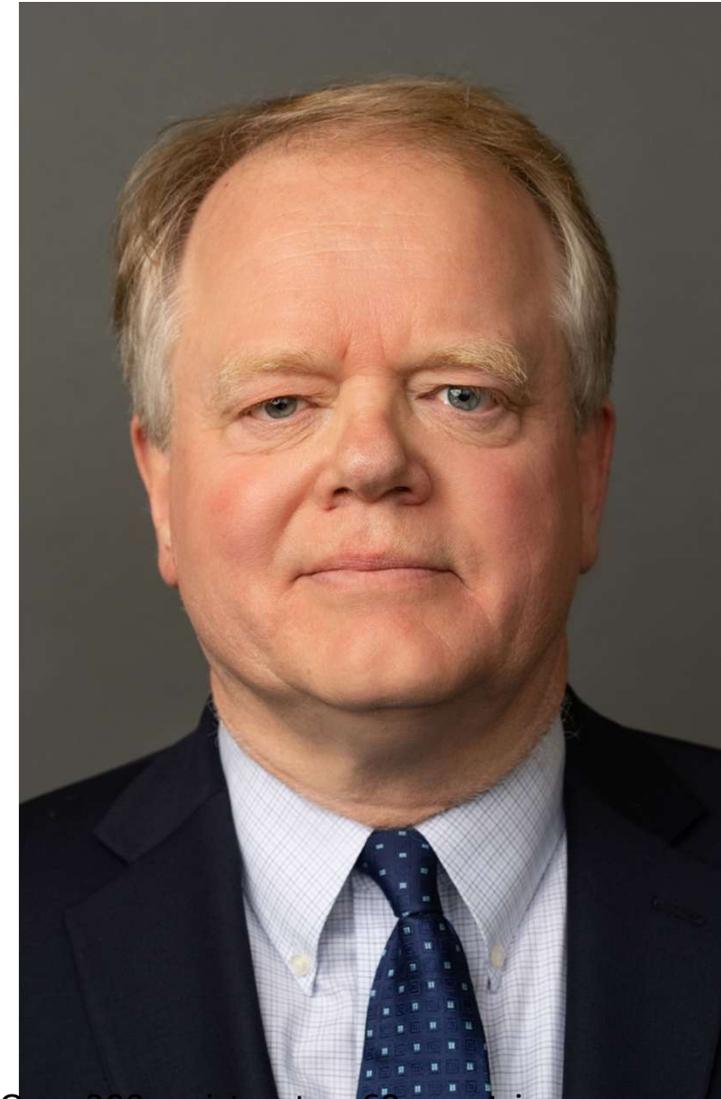
3 ● 4 ● 5 December 2025

Welcome

Christopher Yukins

Lynn David Research Professor in Government Procurement Law
GW Law School – Government Procurement Law Program

- Recording will be available
 - publicprocurementinternational.com (with program materials)
 - *GW Law Government Procurement Law Program* YouTube page
- Chat
- Speakers' statements are in their personal capacities



Over 300 registrants – 60 countries

Three Symposia
– 9:00 ET / 14:00
UK / 15:00 CET

Wednesday – Defense &
Security

Thursday – Global
Developments

Friday – European
Developments

Agenda

Introductions

Procurement-for-Innovation:
EU, U.S. and NATO

Tomorrow's session (Paris):
Global Developments

Panelists Today



Tom McSorley
General Counsel, NATO DIANA



Alexandra Rogers
Chief Operating Officer (COO) of jHub Catalyst



Ryan Benitez
Chief Commercial Officer (CCO) at NATO DIANA



Prof. Luke Butler
University of Nottingham School of Law



Edward du Boulay
Google

The background of the slide is a dark blue field with twelve golden-yellow five-pointed stars arranged in a circle, representing the European Union flag. The text is centered over this background.

Procurement-for-Innovation: European Union

Procurement-for-Innovation: European Union

- **Draghi report** argued that EU member states should **harness public procurement to drive European competitiveness**. To do so, among other things the **report urged member states to “favour competitive European defence companies” over U.S. suppliers**, which dominate the European defense market.



Mario Draghi and Ursula von der Leyen,
President of the European Commission

Procurement-for-Innovation: European Union

- **The Letta Report** (April 2024) called **not for protectionism but rather for EU-centered policies in procurement**, to drive forward the European single market.
- The report called for **procurement strategies that would align public spending with broader goals, especially in innovation and sustainability.**
- Finally, the Letta report called for the **strengthening of administrative capacities in procurement, to advance effectiveness and accountability** in the implementation of the EU's strategies.

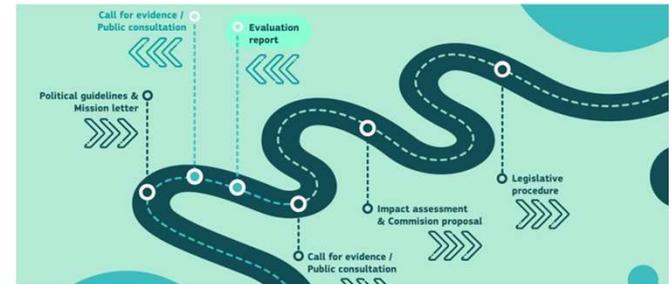


Enrico Letta



European Commission - Evaluation of the 2014 Public Procurement Directives (October 2025)

Findings: 2014 Directives



- Strategic innovation goals: environmental sustainability, social responsibility, and **innovation**
- “The **weakest perceived impact concerned innovation**, with only 22% of firms . . . and 20% of business associations . . . affirming a positive impact”
- “Strategic and institutional challenges such as **risk aversion or the need to provide for up-front investments** are often cited as explanations for the low uptake of the public procurement of innovation.
- “Furthermore, **the most pressing issues identified explaining his low uptake are: the absence of clearly defined legal bases for running PPI procedures, lack of flexibility in the legal framework, the lack of capacity, professionalisation, the risk adverse mind-set of public buyers, a lack of standardized tools and templates to ensure compliance with the legal framework, and persistent ambiguity surrounding audit and compliance procedures.** . . .
- “As far as **start-ups are concerned**, feedback received from the OPC points to difficulties for such companies in participating in public tenders. The use of **overly detailed technical specifications** by contracting authorities hampers the participation of innovative suppliers, de facto decreasing competition. Furthermore, as more innovative solutions come to the market, the *pre-existing technical specifications might limit their eligibility* under longer time-framed techniques such as framework contracts.
- “Other identified barriers to the participation of innovative firms are the use of **selection criteria based on past performance requirements, or high turnover requirements**. While the Directives leave the discretion to establish provisions concerning the transfer of **Intellectual property rights (IPR)**, the **contractual arrangements used by contracting authorities often denote a lack of strategic insight to allow innovative suppliers to grow** while adhering to the interest of public authorities. . . .
- “The **lack flexibility of contractual arrangements and risk-sharing models** - both essential to supporting innovation - are not yet sufficiently addressed in the current regulatory framework . . .
- “Moreover, existing procurement processes **often lack the flexibility to accommodate iterative development, co-design, and phased implementation** - approaches particularly suited to innovative projects and necessary to achieve the potential of public procurement as an investment tool.”



Council of the EU | Press release | 26 November 2025 19:11

Defence industry: Council agrees position on simplification package to boost Europe's defence industry and readiness

-
- **Simplification:** “The EU is determined **to strengthen its long-term competitiveness and to keep its economic, social and environmental objectives intact. A simpler regulatory framework, in which the EU simplifies certain rules and laws, is a key component of this endeavour.**”
 - “**The Council mandate** increases the thresholds to ease the administrative burden and give authorities more time to focus on . . . major defence projects” – **would liberalize technology export controls within the EU**
 - “[I]t retains the **Commission proposal allowing the use of a simpler, so-called ‘negotiated’, procedure for certain common procurements and innovative products and services.** The Council **further simplifies the conditions for the use of this expedited procedure** to enable member states to quickly address their urgent capability needs.
 - “Discussions regarding the so-called **‘European preference’** clause will wait until the revision of the procurement directives next year.”

Expert Report on Legal Obstacles to Procurement for Innovation

Will be addressed during
Friday's session from Milan

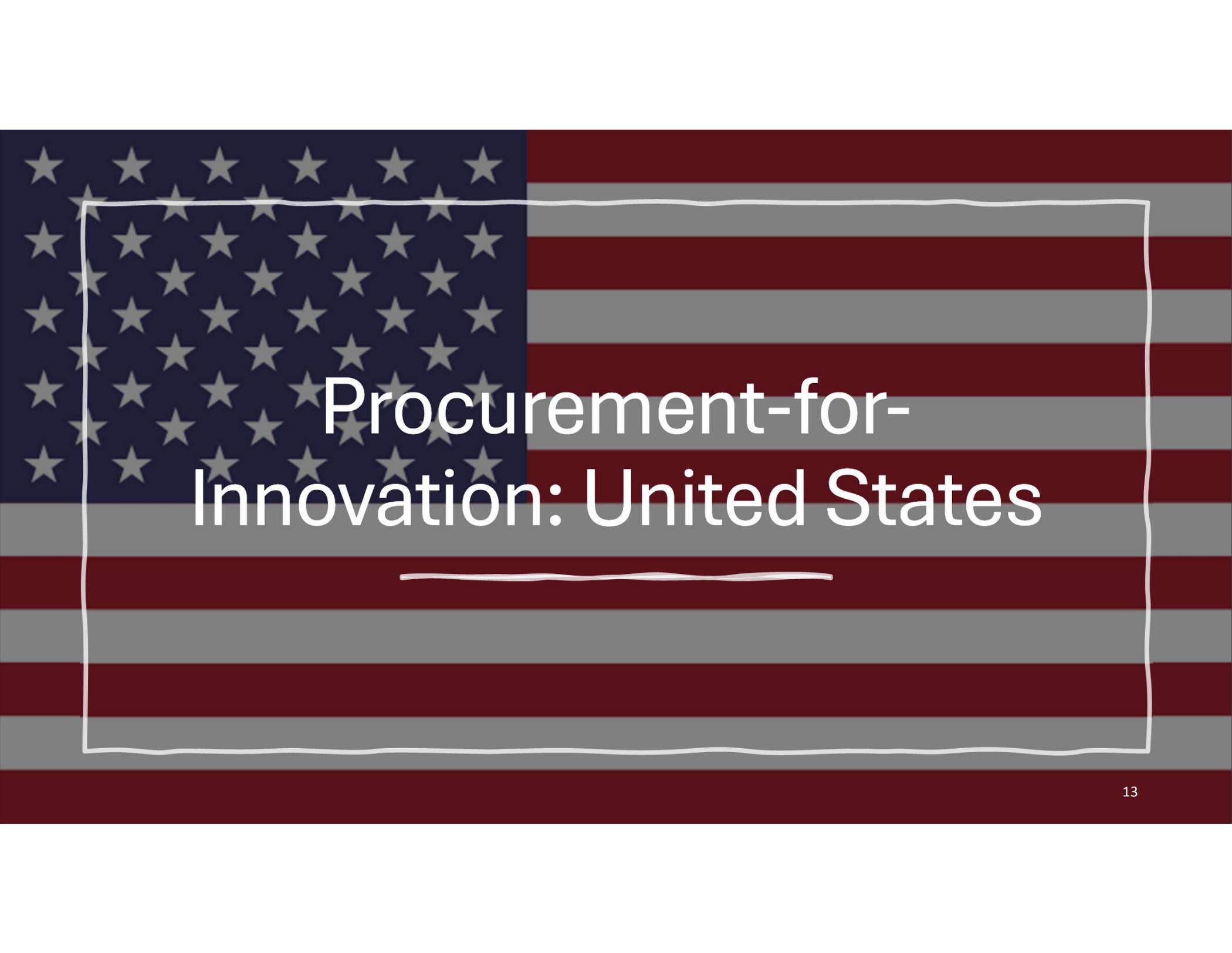
CORVERS
COMMERCIAL & LEGAL AFFAIRS

**OVERCOMING LEGAL BARRIERS FOR THE UPTAKE OF
INNOVATION PROCUREMENT IN THE EU**



**Final report of the EC Expert Group on innovation
procurement**

November 2025

The background of the slide is a stylized American flag. The stars and stripes are rendered in shades of dark red, light gray, and white. A white, hand-drawn style rectangular border frames the central text area. Below the main title, there is a thin, white, wavy horizontal line.

Procurement-for- Innovation: United States

RESTORING *FREEDOM'S* FORGE

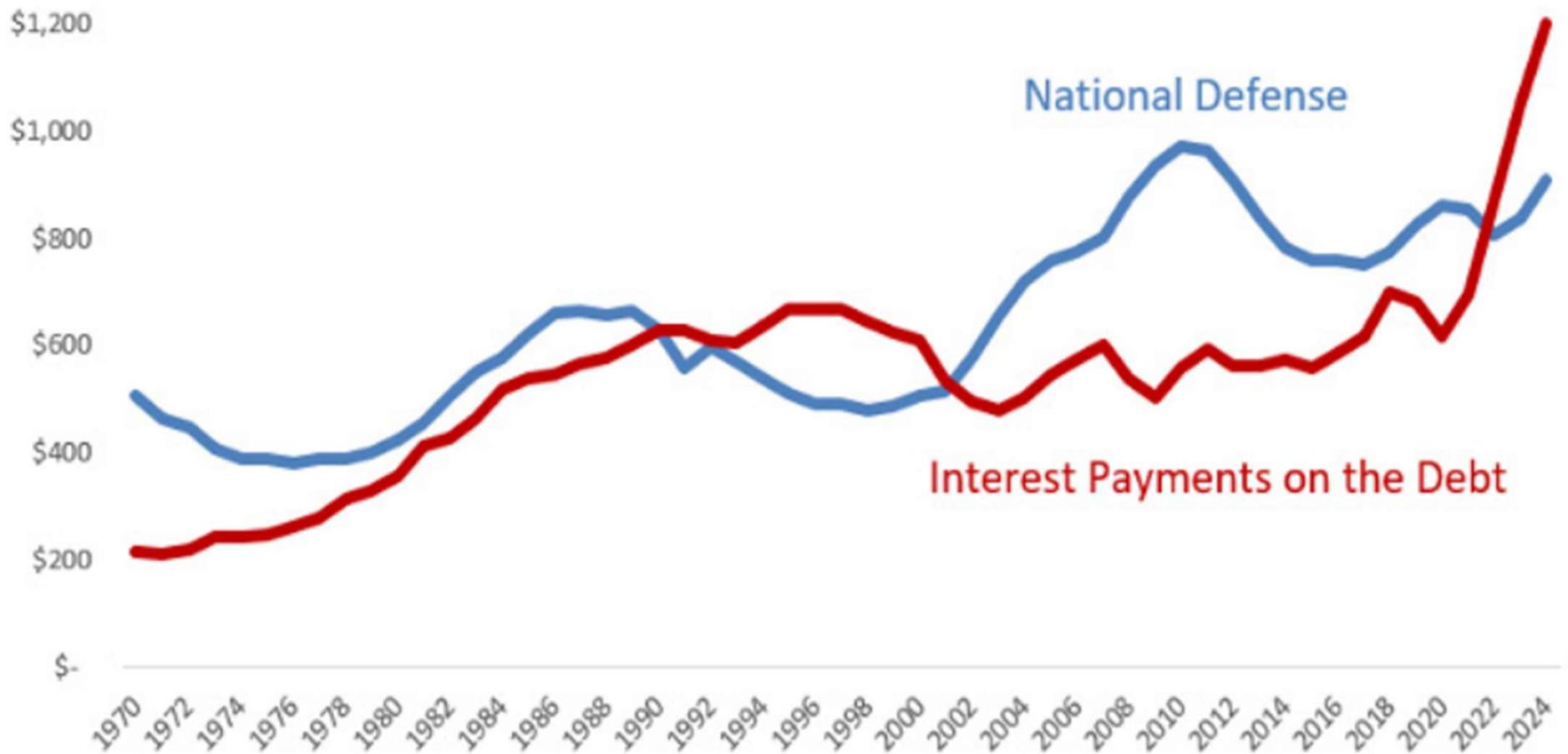
AMERICAN INNOVATION UNLEASHED

BY SENATOR ROGER WICKER



FoRGED Act





Interest Payments on the Debt Has Overtaken Defense Funding (Constant 2024 \$B)



Venture Capital Surged into Aerospace and Defense Companies, But May Dry Up [\[Source\]](#)

Proposed FoRGED Act Reforms

Procurement for Capability

Initial broad goals – “develop drones”

“Companies may compete, innovate, and develop alternative platforms – without having to reapprove documentation or change baselines.”

Breaking Government Monopsony

“Multiple program managers and contracting officers would work with a contractor to deliver a prototype within an equal funding limit.”

Under the new model, the **“program manager must have the ability to bypass documentation and amend requirements in response to updated information on technical feasibility and user feedback.”**

Assessing Price Based on Value, Not Cost

“Nontraditional should be exempt from cost-based pricing”

Instead, business leaders in DOD should **justify pricing by considering cost avoidance to government, return on investment, the value of cost-per-effect to the military user, and other analyses.”**

Secretary of War Hegseth

Nov. 2025



SECWAR Hegseth Speech



Focus on more rapid delivery of weapons

Acquisition officials and program managers accountable, with metrics

Modular Open Systems

Press for Government-Purpose Intellectual Property Rights

Accommodate emerging alternative approaches

Export-capable systems

Commercial first

"Other transactions" preferred

Unlock private capital, cooperate with industry

"Warfighting Acquisition University" (DAU) to shift immediately from compliance-based training to outcomes focus for leaders

Procurement- for- Innovation: NATO

**Defence Innovation
Accelerator *for the*
North Atlantic**

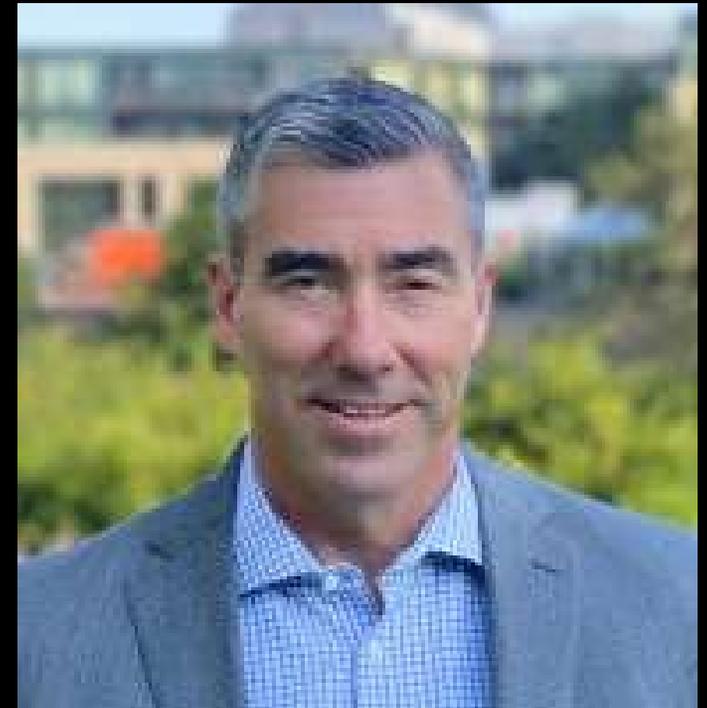
DIANA[®]

Uniting disruptors to shape a
peaceful future.

NAVO – DIANA: Procurement for innovation

Maj.-Gen. Paul Peyton (ret.)

- Looking ahead, our **success** will be measured in 5 areas:
 - **Operational Impact** - Successfully integrating innovative technologies into NATO exercises, operations, and capability development.
 - **Rapid Prototyping** - Becoming faster and more efficient at accelerating and adopting new solutions.
 - **A Cultural Shift that** moves toward new ways of doing business that reflect best industry practices - So we move at commercial speed.
 - **Normalized Collaboration** that shifts to a constant dialogue between defence and industry, not just a push and pull transactional relationship.
 - **And, the availability of a Trusted Capital Community**, that aligns with NATO's mission, is committed to human rights and the rule of law, and is ready to invest in deep-tech companies.



+ ○ Perspectives from NATO DIANA





Tom McSorley –
General Counsel,
NATO DIANA



▶ Rapid Adoption Service pipeline



A regulatory framework enabling NATO DIANA to award R&D prototype contracts to DIANA innovators on behalf of Allies and NATO communities. Upon achievement of validated prototypes, full scale production/procurement contracts can be awarded by NSPA/NCIA without further competition.

RAPID ADOPTION SERVICE BENEFITS

Innovative Solutions

DIANA identifies innovative technologies – aligned to Allied capability needs – through challenge calls, selecting DIANA innovator solutions from thousands of proposals.

Rapid Prototyping

The Rapid Adoption Service Regulation enables DIANA to awards R&D and prototype contracts on behalf of Allies and NATO communities, supporting rapid co-development, iteration and integration of innovative solutions.

Adoption at Scale

When DIANA innovators achieve validated prototypes, production/procurement contracts can be awarded without further competition, enabling Allies to adopt innovative solutions at scale.

RAPID ADOPTION SERVICE PIPELINE

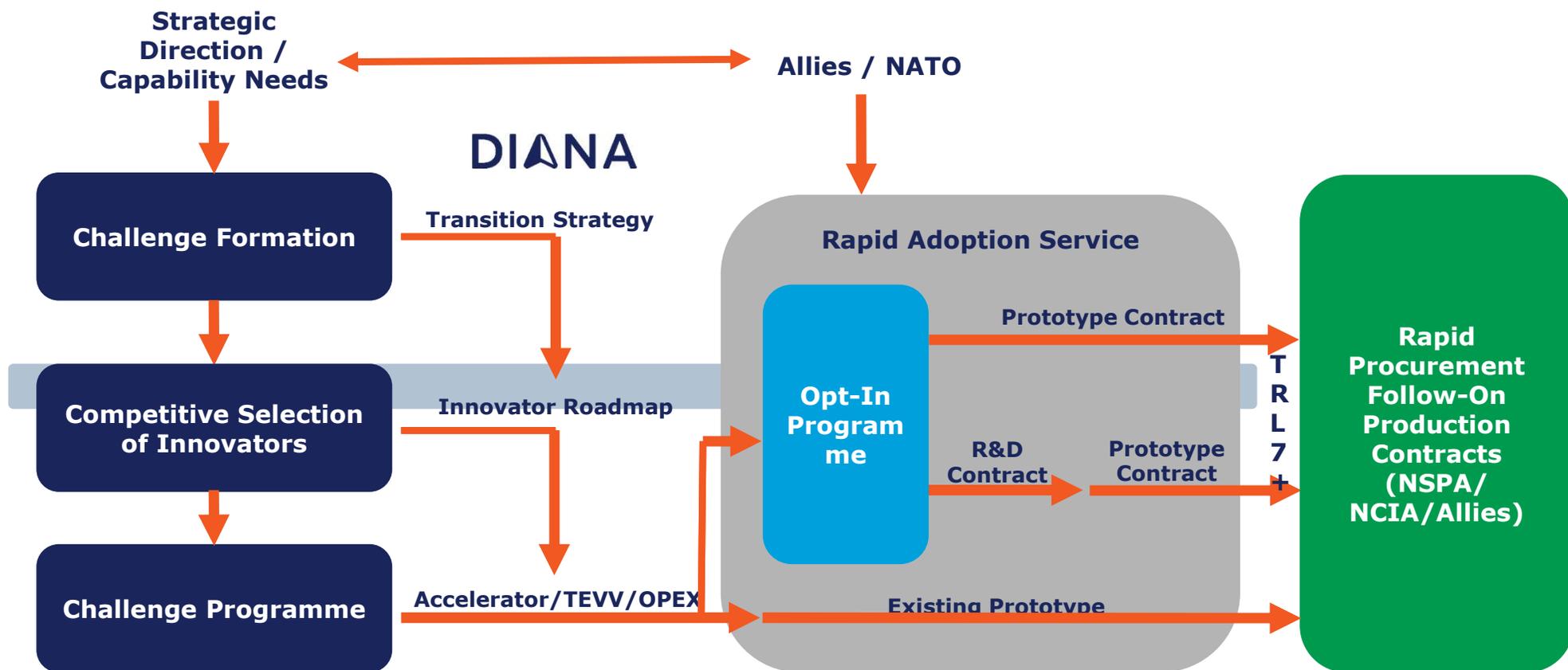
DIANA uses **Challenges** to bring innovators with cutting-edge solutions onto framework contracts, thereby joining the Challenge Programme:

- Challenge formation (based on capability needs, horizon scanning and market assessments);
- Challenge call and competitive selection of DIANA innovators;
- Dialogue between DIANA innovators and end users;
- Testing, Evaluation, Verification and Validation activities;
- Operational experimentation.

» Challenge Formation



» Challenge Programme to Rapid Adoption



Operational Perspectives



Ryan Benitez

Chief Commercial Officer (CCO) at NATO DIANA



Alexandra Rogers

Chief Operating Officer (COO) of jHub Catalyst



University of
Nottingham

UK | CHINA | MALAYSIA



UK Defence Procurement and Innovation: Centralisation, Localisation and Regulation

Professor Luke R.A. Butler

Professor of Public Procurement Law & Regulation



“The UK will be at the leading edge of defence innovation in NATO”

■ Putting innovation at the heart of the “engine for growth”

- “Defence must recognise innovation is a capability in its own right” (p.59)
- Recognises much of the best innovation is found in the civil sector (i.e. dual-use)
- Strategic Defence Review “creating a rapid, continual cycle of innovation between industry and the frontline”.

■ Budgets - Defence Investment Plan - Autumn (?)

- Spending Review: confirmed MOD’s R&D budget >£2 billion in 2026-27, rising for 10 years
- Ringfenced annual UKDI (see below) budget of at least £400M:
 - priority on MOD equipment procurement spend (at least 10%+) on novel technologies e.g. uncrewed/autonomous systems, dual-use, underpinned by AI-enabled capabilities

■ Metrics

- By 2035:
 - (1) MOD spend in the ‘Rapid Commercial Exploitation’ procurement segment -procuring in 3 month cycles e.g. uncrewed systems/drones and digital software
 - (2) Number of SMEs and non-traditional suppliers involved in MOD innovation programmes



Centralisation

▪ NATO Led innovation funding

- “MOD has already seen significant success in accelerating dual-use technology development and pull through – for example, in clean technology, as well as through significant support from the Defence and Security Accelerator (UKDI-DASA) **and the establishment of NATO DIANA and the NATO Innovation Fund.**”
 - In 2024 alone, UKDI-DASA funded firms raised £174m
 - In May 2025, Space Forge raised £22.6m, with the NATO Innovation Fund leading the round
 - NATO DIANA: e.g. <https://www.gov.uk/government/news/uks-janus-accelerator-selected-for-nato-dianas-2026-defence-innovation-programme>

▪ UK Defence Innovation:

- UKDI unites DASA; Defence Innovation Unit (DIU), Command Innovation Hubs, and Defence Equipment & Support (DE&S) Future Capability Innovation (FCI): <https://www.gov.uk/guidance/a-new-era-for-defence-innovation-dasa-diu-and-des-fci-unite-under-uk-defence-innovation-ukdi>
- UKDI Rapid Innovation Unit (UKDI RIU) will enable defence to innovate at ‘wartime pace’ by leveraging commercially available dual-use technology to address the MOD’s most urgent capability requirements
- UKDI will have radical freedoms and independence from standard MOD procurement rules and flexibilities (see below).



Localisation

- **Defence for Growth Deal**

- e.g. in Plymouth will include: strengthening local skills initiatives, with a particular focus on STEM outreach and in fields including electrical engineering, renewable energy systems, nuclear operations and autonomy; driving innovation through the Advanced Marine Technology Hub for dual-use capability innovation:
 - <https://www.plymouth.gov.uk/news/launching-team-plymouth-united-city-driving-defence-innovation-and-opportunity-all>



Regulation

- **Streamlined regulatory environment that removes barriers to innovation**
 - Support Prime Minister’s target to reduce administrative cost of regulation by 25% “by taking a bold new approach to doing business and innovating in the defence sector in the UK, including a programme to transform our Test and Evaluation enterprise and targeted regulatory review sprints to identify improvements at pace.
 - “These will make recommendations for how to create a more permissive regulatory environment which fosters UK comparative advantage in key sectors of the future, and will consider recommendations for updating regulation, information sharing with industry, and streamlining regulatory authority interfaces.”
- **Procurement Act 2023 – extensive flexibility i.e. few barriers to innovation:**
 - Extensive flexibility for:
 - Devise own procedure (no innovation partnership procedure)
 - direct awards and modifications to retain technological advantage
 - Dual-use comes within scope of defence contracts

Questions and Discussion

Conclusion

Video recording of today's session will be available on GW Law – Government Procurement Law **YouTube Page** & **www.publicprocurementinternational.com**