Entering European Defense

A short guide for US space and sensing start-ups

By Patrick Connolly · Checked November 2026. Starting points, not legal advice. Confirm export-control questions with a qualified attorney, and verify programme details before relying on them: rules, calls and budgets in this field change every year.

Step 0 — Export control comes first (before any demo, deck or data)

1. **Classify what you have.** Is your product (hardware, software, *and* technical data) under **ITAR** (USML, State Dept/DDTC) or **EAR** (Commerce Control List, Commerce/BIS)? Sensing, tracking and missile-warning-adjacent capability can plausibly land in either. If it's unclear, file a **Commodity Jurisdiction (CJ)** request with DDTC.
2. **Know what counts as an export.** Sending technical data, giving a detailed technical briefing to foreign nationals (including a "deemed export" to non-US staff in the US) or running a demo abroad can each require authorization.
3. **Licenses and agreements.** ITAR items usually need a **DSP-5** license (hardware or data) and, for defense services such as integration support, a **TAA**. EAR items depend on ECCN and destination. Many Allied destinations have license exceptions, but not all.
4. **Watch the space rules.** In 2024 BIS removed license requirements for certain low-sensitivity spacecraft parts and components going to more than 40 allies and partners. Broader proposed changes to space export controls (revisions to USML Categories IV and XV, new ITAR exemptions and an EAR license exception for commercial space activities) were still pending as of early 2026. Check their current status before you classify.
5. **Sale route.** A **Direct Commercial Sale (DCS)** is you contracting directly, under your license. **Foreign Military Sales (FMS)** is government-to-government through the US. Baltic buyers often use FMS for big US systems, but DCS is common for smaller buys.
6. **Budget the time.** License turnaround takes weeks to months. Start before you need it.

Practical order: classification → export attorney review → a pitch deck scrubbed for public release → then European outreach.

Step 1 — The European front doors

DOOR	WHAT IT IS	WHY IT MATTERS
NATO DIANA	NATO's defense innovation accelerator. Annual challenge programme: the 2026 cohort was 150 companies, each with €100,000 of contract funding for a six-month accelerator phase, then a down-selection to a "Mission Track". Network of 16 accelerator sites and 200+ test centres across the Alliance	Accelerator *and* test access, which can help close a TRL gap. Open to companies from all NATO countries, the US included
NATO Innovation Fund (NIF)	Venture fund of over €1 billion backed by 24 NATO Allies, investing in defense, security and resilience deep tech	Strategic investor with credibility in Europe. The US is not one of its backers, so check its eligibility rules for a US-headquartered company before pitching
European Defence Fund (EDF) / European Defence Agency (EDA)	EU defense R&D funding and cooperation	For entities established in the EU (or Norway, the one associated country), with management there and not controlled from a non-associated third country. A US-controlled EU subsidiary can be funded only if its host state gives security guarantees that the Commission approves, which takes time. Otherwise you join through a European partner, without EDF money
SAFE (Security Action for Europe)	€150 billion of EU loans to member states for joint defense procurement (Regulation (EU) 2025/1106)	Components from outside the EU, EEA-EFTA and Ukraine may make up no more than 35% of the cost of the end product. A US supplier fits best as a sub-system inside a European prime's offer

DOOR	WHAT IT IS	WHY IT MATTERS
ESA / EU Space Surveillance and Tracking (EU SST)	European space safety and SSA programmes	Relevant for launch/reentry tracking and space weather

Step 2 — The Baltics specifically

- **Why now:** the Baltic states are among NATO's highest spenders relative to GDP. All three plan to spend around 5% of GDP on defense in 2026 (Lithuania about 5.4%, Estonia about 5.1–5.4%, Latvia about 4.8–5%), ahead of the 5% commitment NATO Allies made at The Hague in 2025. They sit on the eastern flank and are buying fast for sensing, early warning and counter-drone. The EU's **Eastern Flank Watch** and **European Drone Defence Initiative** (the "drone wall"), proposed in October 2025 and aiming at initial capability by the end of 2026, put a premium on persistent detection.
- **Procurement agencies:**
  - **Estonia:** Estonian Centre for Defence Investments (**ECDI / RKIK**).
  - **Lithuania: Defence Materiel Agency** under the Ministry of National Defence. Innovation Agency Lithuania's **MilTech Lab** is a dedicated defense-innovation unit and a softer first door.
  - **Latvia:** State Defence Logistics and Procurement Centre (**VALIC**).
  - Estonia and Latvia increasingly buy jointly (for example, air defense and the Baltic Defence Line), so one conversation can reach two buyers.
- **Industry associations** (the fastest way to meet local partners): Estonian Defence and Aerospace Industry Association; Lithuanian Defence and Security Industry Association; Latvian Federation of Security and Defence Industries.
- **Local tech and space scene:** NanoAvionics (Vilnius, part of Kongsberg), Milrem Robotics (Estonia), plus a growing number of defense start-ups coming out of the national defense innovation programmes in each country.
- **Tip:** Baltic ministries value **sovereignty and allied interoperability**. Position as "sovereign access to detection data, delivered with a European partner," not "buy our US product."

Step 3 — Big players to integrate with (primes and system integrators)

- **Nordics: Kongsberg** (Norway; owns NanoAvionics), **Saab** (Sweden), **Patria** (Finland).
- **Western Europe: Thales** / Thales Alenia Space (France/Italy), **Airbus Defence & Space** (DE/FR/ES), **Leonardo** (Italy), **Safran** (France), **MBDA** (missiles and air defense, pan-European), **BAE Systems** (UK), **OHB** (Germany; satellites).
- **Germany sensors/defense: Hensoldt** (sensors, radar, early warning), **Rheinmetall** (incl. its SAR-satellite JV with ICEYE), **Helsing** (defense AI/software).
- **Space ISR: ICEYE** (Finland), which is well connected in Baltic and Nordic defense.

Why integrate rather than sell direct: European primes carry the procurement relationships, handle sovereignty and industrial-participation expectations (and, under SAFE, the European-content rules), and can host an independent evaluation. For an early-stage product (TRL 4–5), that doubles as your TRL 6 path.

Step 4 — A 90-day sequence

1. **Weeks 0–4:** classification and CJ (if needed); export attorney; public-release deck.
2. **Weeks 2–8:** apply to the next NATO DIANA challenge cycle (recent calls opened around June and closed in early July); open conversations with two primes (one Nordic, one German/French) through their innovation or venture arms.
3. **Weeks 4–12:** meet one Baltic procurement agency and its industry association, *with* a prime or local partner in the room; scope a paid pilot or joint evaluation.

Step 5 — Learn how European defense thinks (courses where your buyers train)

Useful for understanding NATO and EU doctrine, and for meeting the officers who later write the requirements.

- **EU–NATO CIMIC course** — European Security and Defence College (ESDC)
- **NATO School Oberammergau** (Germany)
- **NATO Energy Security Centre of Excellence** courses (based in Vilnius, Lithuania: a Baltic foothold)
- **George C. Marshall European Center for Security Studies** — European-led defense programmes (Garmisch, Germany)

Useful links

Programme pages move; if a link breaks, search the programme's name.

- NATO DIANA: https://www.diana.nato.int
- NATO Innovation Fund: https://www.nif.fund
- European Defence Fund: https://defence-industry-space.ec.europa.eu/eu-defence-industry/european-defence-fund-edf-official-webpage-european-commission_en
- SAFE: https://defence-industry-space.ec.europa.eu/eu-defence-industry/safe-security-action-europe_en
- US DDTC (ITAR): https://www.pmddtc.state.gov
- US BIS (EAR): https://www.bis.gov

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