



Acceleration Fund: New billion-kroner Fund to strengthen the Danish Armed Forces' combat capabilities – quickly



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Europe's security policy landscape has changed significantly since the war in Ukraine and recent developments in the United States. This places new demands on both the Danish Armed Forces and Danish society as a whole, not least in terms of speed, flexibility, and the ability to act quickly.

This is most clearly reflected in the political agreement on strengthening the Danish Armed Forces' combat capabilities, which the government and the parties to the contract entered into in February 2025. The agreement establishes a new Acceleration Fund of DKK 50 billion for use in 2025 and 2026. In addition, an annual framework of DKK 10 billion will be allocated for 2027–2033 to cover expenses resulting from decisions made by the Acceleration Fund.

A paradigm shift in defense procurement

The purpose of the Fund is to provide a broader and more flexible financial and procedural framework for the Danish Defence's procurement related to combat capabilities, thereby supporting a faster build-up of the Danish Defence's combat capabilities.

This also means that the Fund will change how the Armed Forces procure, thereby marking a break with the usual framework for government procurement and tendering rules. The increased focus on speed means greater use of direct awards and fewer tendering processes.

Specific decisions on how to use the Fund's resources will be made based on the Chief of Defence's military recommendations, and the Ministry of Defence's Materiel and Procurement Agency (FMI) will play a central role in implementing them.

New tool for businesses: the proposal form

In connection with the Fund, the FMI is launching a new proposal form on virk.dk, where Danish and foreign companies can submit proposals for acquisitions that can help quickly ensure increased combat effectiveness.

The form has been developed to make it easy for companies to submit proposals and to give FMI a better basis for rapid processing and coordination across initiatives.

Companies can submit concrete proposals for specific acquisitions in the form, stating, among other things, the expected delivery time and price level. This requires both realism and precision. Companies that can document their ability to deliver technical maturity and value to Danish Defence will be in a strong position.

The new procurement patterns mean that companies with fully developed capabilities that can be quickly procured and put into use, or other measures that can rapidly and in the short term strengthen the Armed Forces' combat effectiveness, will have an advantage and that the ability to collaborate and act quickly will become a competitive advantage in itself.

Until the proposal form is launched **on 28 April**, the FMI encourages companies to prepare and consider proposals for submissions. Companies that have already submitted proposals via the existing form for the industry pool will automatically have these transferred to the new system.

EU legal basis and possible appeals on the horizon

The political agreement states that the Fund's deviation from the general procurement rules is based on Article 346 of the TFEU, which allows Member States to take the necessary measures to protect essential security interests. This option has existed since the beginning of the Treaty but is now more relevant than ever.

However, the parties to the agreement also recognise that the flexible approach to procurement entails several risks. The increased speed and deviation from the procurement rules may lead to mispurchases, cost overruns, and errors in procurement handling. Therefore, it must be expected that the use of the Fund will be challenged by the market, including through complaints to the Complaints Board for Public Procurement. An increase in complaints from unsuccessful suppliers is a realistic consequence.

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