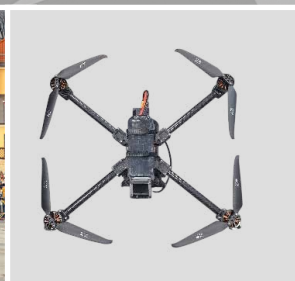
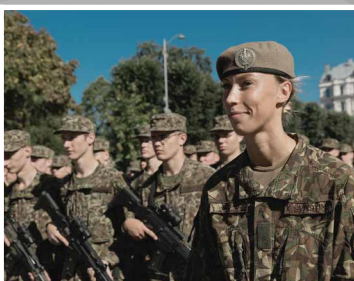




WHITE BOOK

2026 DEFENCE SPENDING OVERVIEW



Information prepared according to the Law on the State Budget for 2026
and the Budget Framework for 2026, 2027 and 2028

DEFENCE MINISTER'S INTRODUCTION

Andris Sprūds
Defence Minister



Security is the main focus of government budget in 2026, and the national priority of Latvia.

Geopolitical context requires us to act responsibly. Based on sound judgements. With resolve. We are not at war. Neither there is peace. We live under a hybrid war where tensions with aggressor escalate, and we need to strengthen our combat capabilities.

We need to keep arming ourselves. By investing in defence, we are investing in Latvia's security and safety. We need strong armed forces and continued development of military defence capabilities. It is, and will remain, our main task.

2026 defence spending is higher, approaching the mark of 5% of GDP. For the first time ever, it will reach 4.91%. For the first ever, defence investment will exceed 2 billion euro or EUR 2 157 966 637.

We know that each euro must be spent responsibly and wisely. Therefore, accountability, transparency and development will remain key elements of the defence budget in 2026.

The 2026 defence spending priorities are clear:

- First, our people. Our army is as strong as its troops. Professional, ready to engage at all times, technologically advanced and modern. Our regular force will reach 8 000 in 2026 ahead of plans.
- Second, stronger combat capabilities. Capabilities aligned with NATO defence plans. National Armed Forces will receive more than 50 %, making this a combat capability build-up budget. We will invest in air defence, drones and anti-drone systems, innovations and technologies, firepower – infantry fighting vehicles and artillery, equipment and munitions.

- Third, military infrastructure. Selonia Training Area. It is important to conduct top-level allied training activities. We will also invest in counter-mobility barrier and better-protected eastern border of our state.

We will work in conjunction with local companies! That way funding will remain in Latvia. Defence investments will strengthen national economy and boost people's prosperity. 30% of funding will support strategic capability procurements and enhance capacity of national defence sector.

Our ambition is to build a robust national defence sector capable of contributing 3% of GDP in 2028 for our economy.

We will invest in research and development that will drive defence industry growth. Strategic innovations will receive an unprecedented 1.5% of all funding.

Crucially, we will continue to support Ukraine. It will receive 0.25% of GDP or EUR 110 million in 2026.

We will keep explaining our people why defence matters. Freedom is not a gift. It requires commitment and investment. Our society and social partners have been amazingly supportive and positive about that.

By investing in Latvia's defence today, we are investing in peace and future security.

My Latvia. My responsibility.



www.mod.gov.lv/lv/par-mums/aizsardzibas-nozares-budzets

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Conscription army troops of the first enlistment wave take part in high-readiness reservist training

OVERVIEW OF 2026 DEFENCE SPENDING

2026 defence spending priorities include strengthening of National Armed Force combat capabilities, development of defence industry and construction of military infrastructure, including counter-mobility barrier to make the eastern border of Latvia safer.

Defence spending is steadily growing and moving towards 5% of the gross domestic product (GDP). According to the Law on the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028, adopted by the Saeima (Parliament of Latvia), in 2026 defence sector will receive **4.91% of the GDP** or **EUR 2 157 966 637**.

DEFENCE BUDGET: 2020 – 2028

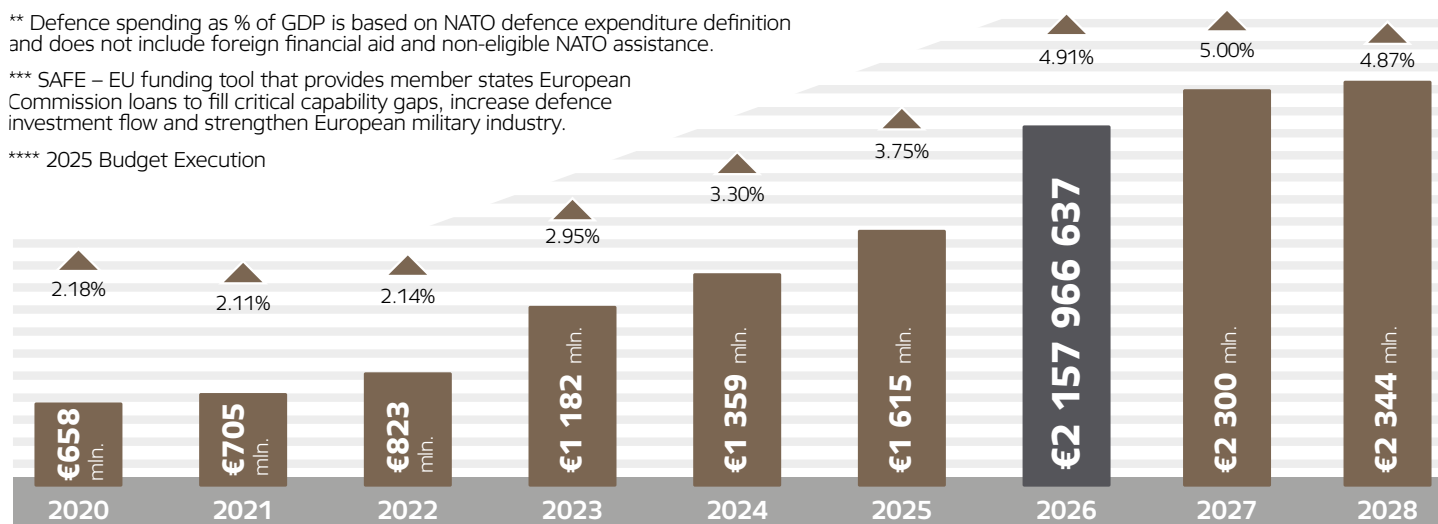
(DEFENCE SECTOR EXPENDITURE: SAFE AND OTHER FUNDING SOURCES)

* Defence spending as % of GDP is based on GDP forecasts issued by Ministry of Finance (on 12 July 2025)

** Defence spending as % of GDP is based on NATO defence expenditure definition and does not include foreign financial aid and non-eligible NATO assistance.

*** SAFE – EU funding tool that provides member states European Commission loans to fill critical capability gaps, increase defence investment flow and strengthen European military industry.

**** 2025 Budget Execution



ASCOD infantry fighting vehicle (also tested in Latvia)

DEFENCE SPENDING PRIORITIES IN 2026

Defence expenditure will continue to grow in 2026, reaching 4.9% of GDP



Stronger NAF combat capabilities



Better military infrastructure, including counter-mobility barrier on eastern border of Latvia



Growing defence and military industry



B19 drone

PUBLIC BENEFITS

SECURE AND SAFE LATVIA

Personnel growth

Air defence

Drones and defence technologies

Firepower: infantry fighting vehicles and artillery

Equipment and ammunitions



THRIVING DEFENCE INDUSTRY

Economic benefits derived from booming domestic defence industry



CONSTRUCTION OF MILITARY INFRASTRUCTURE, INCLUDING COUNTER-MOBILITY BARRIER ON EASTERN BORDER OF LATVIA

Higher NAF capacity to face various threats



BREAKDOWN OF 2026 DEFENCE SECTOR BUDGET

DEFENCE BUDGET – EUR 2 157 966 637

BASE
BUDGET

EUR 1 568 197 360

OTHER FUNDING EUR 624 479 977

EUR 366 479 977

SAFE
funding

EUR 58 000 000

Non-SAFE
funding

EUR 200 000 000

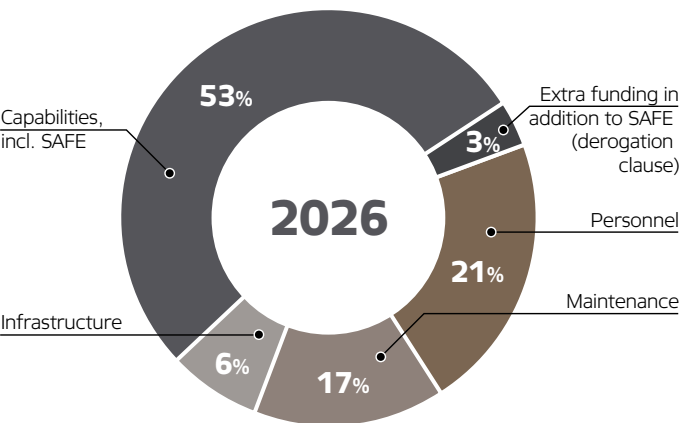
Funding for MoD
for air defence
development

Funding allocated by the government for stronger defence brings **the overall defence expenditure to EUR 2 157 966 637** in 2026 – according to Finance Ministry's latest GDP forecast for 2026 estimated defence spending will reach **4.91% of GDP**.



Patria 6x6 armoured personnel carriers made in Latvia

BREAKDOWN OF 2026 DEFENCE SECTOR BUDGET BY EXPENDITURE POSITIONS



In 2026 government committed to gradual increase of defence and security funding to 5% of GDP through, *inter alia*:

- European Union SAFE facility and defence spending at the level of up to 4.78% of GDP (initiatives under the programme 24.00.00 *National defence and security fund* of the budget chapter 74) to meet NATO capability targets:

- upgrade Mechanised Infantry Brigade by equipping with tailored armoured vehicles and combat support capabilities, such as indirect fire support
- create combat ready division-size support units, such as artillery, air defence and reconnaissance
- stockpile ammunition and develop combat supply capabilities according to national and NATO standards
- support development of unmanned aerial vehicle capabilities at the NAF and improve national anti-UAV counteraction
- in addition to SAFE, additional defence-related funding at the national level and defence budget near 4.91% of the GDP (budget chapter 74 activities) to meet NATO capability targets:
 - stronger reconnaissance and threat control capabilities
 - development of NAF maintenance and personnel supply framework to ensure faster defence capability implementation
 - financing of operations at the Selonja Training Area
 - support to Ukraine

FUNDING REALLOCATED DURING IMPLEMENTATION OF ANNUAL BUDGET IN 2026: BUDGET CHAPTER 74:

Programme 24.00.00 National defence and security fund

Additional funding for Ministry of Defence investments (equipment)	EUR 10 479 977
Additional funding for Ministry of Defence fighting vehicle purchase	EUR 166 000 000
Additional funding for Ministry of Defence SAFE activities	EUR 190 000 000
Additional non-SAFE funding (derogation clause)	EUR 58 000 000

Programme 18.00.00 Funding for strengthening of national security

Additional funding for the Ministry of Defence for air defence strengthening	EUR 200 000 000
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KEY DEFENCE SECTOR AND NAF CAPABILITY DEVELOPMENT PROJECTS IN 2026

EUR 1.14 billion or 53% of all funding in 2026 will be spent on upgrading NAF capabilities. Key NAF capability projects will focus on infantry fighting vehicles, multi-layered air defence system, indirect fire support capabilities, supply: ammunitions and equipment, eastern border security, unmanned aerial vehicle capabilities, sea surveillance and coastal defence



Stalker drone

303.77
MLN. EUR

INFANTRY FIGHTING VEHICLES

(incl. SAFE funding)

- IFV platform
- Maintenance and repair procurements

LAYERED AIR DEFENCE

(EUR 200 million – the main funding of air defence initiative is earmarked as government priority)

- Air surveillance radars
- Close range air defence systems (launchpads and missile)
- Medium range air defence systems (launch pads, missiles and radars)

200.54
MLN. EUR

SUPPLY: AMMUNITIONS AND EQUIPMENT

(incl. SAFE funding)

- Large-calibre ammo, explosives and fuses
- Food (dry rations, drinking water and emergency food basket)
- Personal equipment (webbing/bulletproof vests with accessories, helmets, combat uniform elements, etc.)
- Weapons (support and personal guns)
- Thermal scopes and night vision

181.68
MLN. EUR

INDIRECT FIRE SUPPORT

- Mine launchers
- Self-propelling artillery
- Far range missile systems

158.97
MLN. EUR

55.00
MLN. EUR

EASTERN BORDER REINFORCEMENT

- Barriers (concrete blocks, dragon's teeth, etc.)
- Storages for engineering devices, etc.

50.00
MLN. EUR

MARINE SURVEILLANCE AND COASTAL DEFENCE CAPABILITIES

- Anti-ship missile launch pads and projectiles, reconstruction of mine countermeasures vessels

22.57
MLN. EUR

DRONE CAPABILITIES

- Aerial drones
- Marine drones
- Ground drones

BASE BUDGET FOR DEFENCE IN 2026

Total defence spending	EUR 1 568 197 360
Compensation <i>Pay, social contributions, benefits and reimbursements</i>	EUR 425 514 803
Goods and services <i>Funding for operational costs and regular tasks of administrative units, incl. NAF unit operational and mission costs, military exercise, personnel training, participation in international missions, military procurements, equipment, instrument and technology service, infrastructure maintenance and management, IT and communication costs, national defence education for youth, healthcare costs, generated revenues (advance payments to Latvia as host country for allied forces), etc.</i>	EUR 514 478 351
Subsidies, grants, social benefits and other reimbursements <i>Service pensions, cadet scholarships, subsidies and grants (for NGOs offering military and patriotic education, maintenance of Riga Brethren Cemetery, Ventspils Airfield, Liepāja Airfield, ALTUM, State Defence Corporation, protection of ICT infrastructure against DDOS attacks)</i>	EUR 27 976 912
Regular financial commitments towards EU MFF and international frameworks <i>payments linked to membership in international organisations (NATO, EU and other international frameworks)</i>	EUR 18 128 398
Transfers within the same budget and transfer of maintenance costs between different budget positions <i>transfer of costs between various institutional government sectors: for cybersecurity (CERT.LV), maintenance; infrastructure maintenance, post-mission rehabilitation of troops, etc.</i>	EUR 23 201 285
Capital costs <i>development and construction of infrastructure, IT, software licences, purchase of tools and equipment (incl. equipment for military capabilities), etc.</i>	EUR 548 756 296
Government balance, equity payments <i>SIState Defence Corporation, LLC. equity payments, etc.</i>	EUR 13 141 315

Expenditure positions are based on National budget planning methodology of Latvia.

Extra development funding reallocated during the implementation of the annual budget in 2026 for the budget chapter 74 will be specified in the course of delivery of the 2026 budget.



IRIS-T medium-range air defence systems

BREAKDOWN OF 2026 DEFENCE SECTOR BUDGET BY PROGRAMMES AND SUB-PROGRAMMES

Prog code	Name of programme/ sub-programme	2026 funding, euro	Objective
06.00.00	Defence of national security	35 895 399	Support the operation of military intelligence and security service.
12.00.00	War Museum	2 131 366	Collect, preserve, research, exhibit and expose tangible and intangible military and political heritage of Latvia to promote public awareness and social development.
22.10.00	International missions and centralised compensation system of National Armed Forces	386 214 419	Centralised compensation analysis and payment system of NAF, State Centre for Defence Logistics and Procurements, Colonel Oskars Kalpaks Military High School staff (basic pay, personal income tax, social contributions).
22.12.00	National Armed Force funding	865 631 661	Protect the sovereignty, territorial integrity and population of Latvia against aggression.
30.00.00	National defence policies	28 473 198	Implement national defence policies in the international and cybersecurity domain, military defence coordination.
31.00.00	Military Retirement Fund	23 526 175	Manage pension disbursements and reimburse healthcare costs of retired military personnel, and approve benefits provided in the applicable legislation.
33.00.00	Management of defence properties	184 229 450	State Centre for Defence Infrastructure and Military Procurements manages the properties, defence infrastructure and other buildings registered to or leased by the Ministry of Defence, including relevant environmental protection activities. It also oversees the construction of national military defence infrastructure.
70.15.00	Implementation of European Union's Erasmus+ projects	62 239	Implementation of Erasmus+ higher education mobility project.
73.02.00	Refunding of base budget allocations for co-financing of projects implemented with foreign financial aid	6 172 926	Refunding of means allocated for primary tasks that are undertaken in scope of NATO Security Investment Programme for host nation infrastructure.
73.07.00	NATO investment projects	4 014 310	Continue to implement NATO Security Investment Programme (NSIP) co-funded projects according to NATO standards
97.00.00	Planning and coordination of sectoral policy	5 097 966	Support the operation of the Ministry of Defence.
28.00.00	Geodesy and maps	10 305 720	Delivery of national policies in the field of geodesy, maps and geospatial information within the remit of Latvian Geospatial Information Agency, collecting, processing and storage of core geospatial data vital for national defence, security, spatial planning, logistics, navigation, agriculture, environmental protection and other sectors of national economy.
34.00.00	Cadet Force Centre	16 442 531	Promote awareness and involvement of Latvian youth in comprehensive national defence. Make sure the Cadet Force curriculum is up to date and complements the new general education curriculum and uniform education standards. Implement, strengthen and promote National Defence Education (NDE). Give all children an opportunity to undergo NDE to become honourable, moral, capable and responsible individuals. Strengthen cultural and historical identity, sense of belonging and loyalty to Latvia.

BREAKDOWN OF 2026 DEFENCE SECTOR BASE BUDGET BY EXPENDITURE TYPES OF PROGRAMMES AND SUB-PROGRAMMES

EUR	
06.00.00 Defence of national security (total costs)	35 895 399
Goods and services	35 895 399

EUR	
12.00.00 War Museum (total costs)	2 131 366
Compensation	1 612 535
Goods and services	409 942
Subsidies and grants	105 178
Capital costs	3 711

EUR	
22.10.00 International missions and centralised compensation system of National Armed Forces (total costs)	386 214 419
Pay	386 214 419

EUR	
22.12.00 National Armed Force funding (total costs)	865 631 661
Goods and services	432 946 139
Subsidies, grants, social benefits and compensations	2 580 554
Transfers within the same budget and transfer of maintenance costs between different budget positions	6 626 690
Capital costs	410 336 963
Government balance, equity payments	13 141 315

EUR	
28.00.00 Geodesy and maps (total costs)	10 305 720
Compensation	7 795 335
Goods and services	1 772 235
Capital costs	738 150

EUR	
30.00.00 National defence policies (total costs)	28 473 198
Goods and services	1 704 152
Subsidies and grants	1 152 505
International cooperation	18 128 398
Transfers within the same budget and transfer of maintenance costs between different budget positions (CERT.LV)	7 283 603
Capital costs	204 540

EUR	
31.00.00 Military Retirement Fund (total costs)	23 526 175
Social benefits, other reimbursements	23 526 175

EUR	
33.00.00 Management of defence properties (total costs)	184 229 450
Compensation	10 872 008
Goods and services	38 676 444
Transfers within budget and transfers of maintenance costs	118 066
Subsidies and grants	460 000
Capital costs	134 102 932

EUR	
34.00.00 Cadet Force Centre (total costs)	16 442 531
Compensation	13 251 617
Goods and services	2 882 414
Subsidies and grants	152 500
Capital costs	156 000

EUR	
73.02.00 Refunding of base budget allocations for co-financing of projects implemented with foreign financial aid	6 172 926
Transfers, transfers of maintenance costs	6 172 926

EUR	
73.07.00 NATO investment projects (total costs)	4 014 310
Compensation	814 310
Capital costs	3 200 000

EUR	
70.15.00 Implementation of European Union's Erasmus+ projects (total costs)	62 239
Goods and services	62 239

EUR	
97.00.00 Planning and coordination of sectoral policy (total costs)	5 097 966
Compensation	4 954 579
Goods and services	129 387
Capital costs	14 000



Drones: Blaze and Beak

OPERATIONAL OBJECTIVES AND MAIN ACTIVITIES FUNDED UNDER BUDGET PROGRAMMES AND SUB-PROGRAMMES

Support the operation of military intelligence and security service, delivery of national security functions stipulated by the relevant legislation, implementation of commitments under international and intergovernmental agreements (treaties), development of resources required to fulfil these functions and commitments.

- 1) **Maintain** and expand museum collection.
- 2) **Provide** public access to assets held by the museum.
- 3) **Research** museum collection and historic subjects.
- 4) **Educate** on scientific and other issues.
- 5) **Develop and maintain** museum branches:
Mangali Christmas Battles Musuem, Oskars Kalpaks Museum and memorial *Airītes*.

1) Analyse and pay – manage a centralised compensation system (monthly wages, bonuses, personal income tax), state social security contributions, analyse and pay benefits and other compensation.

2) Increase defence staff according to capability priorities and defence plans to boost the combat readiness of the National Armed Forces and contribute to collective defence and security goals of NATO.

1) Ensure security of land, sea and air space of the Republic of Latvia together with allied armed forces, public safety.

2) Engage in NATO/European Union-led operations outside Latvia according to national laws and international treaties and agreements.

3) Contribute to the national threat assessment as required by the laws and regulations.

4) Provide host nation support to allied forces.

5) Assure full spectre of logistic management of materials and technologies, centralised stock/inventory management system, centralised system for public procurement of defence items, including procurements for other government units based on needs specified by the Ministry of Defence (State Centre for Defence Logistics and Procurements).

6) Support implementation of the licensed, accredited secondary education programme *State defence* that trains qualified military instructors (basic) at the Colonel Oskars Kalpaks Military High School, and in future also General Pēteris Radziņš Military High School that will be established.

- 1) **Coordinate** development and implementation of IT safety policy.

2) Contribute to security and national defence policies developed under NATO, EU and other international security and defence organisations.

3) Oversee the development of defence staff management and military training policy.

4) Support the operations of body regulating e-ID service providers.

Activities

Programmes

2026 funding

12.00.00
War Museum

22.10.00
International missions and centralised compensation system of National Armed Forces

22.12.00
National Armed Force funding

30.00.00
National defence policies

31.00.00
Military Retirement Fund

Provide social security to beneficiaries (retired military personnel, members of National Armed Forces, members of the national resistance movement, relatives of victims of 1991 barricades) - pensions, benefits, healthcare for retired military.

06.00.00
Defence of national security

EUR 35 895 399

EUR 2 131 366

EUR 386 214 419

EUR 865 631 661

EUR 28 473 198

EUR 23 526 175

1) National Defence Education focused on the following elements: leadership and cohesion, state defence skills/competences, healthy and active lifestyle.

2) 2026/2027 study year: integrate NDE 2 course in the general curriculum across all Latvian secondary schools.

3) Expand informal education provided to the Cadet Force, put greater emphasis on leadership skills of cadet force.

4) Provide continued access to Cadet Force training across all regions of Latvia and towns outside regions.

5) Provide upskilling of qualified instructors training the Cadet Force – support their higher education according to National Defence Education Law and Cadet Force Law.

1) Collect, process and update core geospatial information data used by state and local institutions, support NAF functions and contribution to North Atlantic Treaty.

2) Ensure maintenance and development of state surveying network.

3) Maintain permanent global positioning base station system “Latvian positioning system” (LatPos).

4) Ensure state border re-demarcation: survey state border, determine of border line and geo-coordinates of border signs, create of re-demarcation maps.

5) Ensure mapping of the topography of Latvia, collection, processing and storage of core geospatial data and metadata.

6) Ensure processing of geodata for flight navigation.

1) Prepare drafts of legal acts and policy planning papers regulating the sector.

2) Ensure implementation of sectoral policy, also by bodies reporting to the Ministry.

Refund budget allocations for co-financing of projects implemented with foreign financial aid

1) Ensure oversight over implementation of NATO Security investment programme (NSIP) co-funded projects.

2) Provide host nation infrastructure for operations of allied forces and personnel.

3) Ensure implementation of short wave radio communication system.

4) Contribute to North Atlantic Treaty Organisation Security Investment Programme.

Ensure implementation of Erasmus+ higher education mobility project at the National Defence Academy of Latvia.

34.00.00
Cadet Force Centre

EUR 16 442 531

2026 funding

EUR 10 305 720

EUR 5 097 966

EUR 6 172 926

EUR 4 014 310

EUR 62 239

EUR 184 229 450

Programmes

28.00.00
Geodesy and maps

97.00.00 **Planning/coordination of sectoral policies**

73.02.00 **Refunding of budget allocations**

73.07.00
“NATO investīciju projekti” izdevumi

70.15.00
Implementation of European Union's Erasmus+ projects

33.00.00
Management of defence properties

1) Manage properties in possession of Ministry of Defence, including national military defence infrastructure.

2) Coordinate construction of national military defence infrastructure.

3) Manage environmental protection measures at the national military defence infrastructure.

4) Provide public services to bodies reporting to Ministry of Defence, National Armed Forces and individuals using sports facilities, military housing and rent properties.

BREAKDOWN OF 2026 DEFENCE SECTOR BUDGET BY UNITS AND ACTIVITIES

According to the Law on the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028, adopted by the Saeima (Parliament of Latvia), majority of the defence funding will be spent on upgrade of combat capabilities. Another funding priority will be defence staff and development of military infrastructure.

Total: €1 568 197 360

€1 142 156 242

National Armed Forces, incl. capabilities, licences, EU Erasmus+ higher education mobility project, State Defence Corporation

€184 229 450

State Centre for Defence Infrastructure and Military Procurements, incl. NATO Security Investment programme co-funded projects

€44 188 163

Ministry of Defence (governance and policy planning), incl. financial contributions to international organisations, programmed EU projects and activities, recruitment of State Defence Service troops

€38 816 088

State Centre for Defence Logistics and Procurements

€36 629 799

Military intelligence and security centre

€35 917 515

Industry cooperation, research and drone coalition

€23 526 175

Service pensions for military staff (MoD)

€18 273 571

Military and defence attaches abroad (MoD)

€16 442 531

Cadet Force Centre

€10 305 720

Latvian Geospatial Information Agency

€7 411 545

CERT.LV co-funding (MoD)

€4 914 180

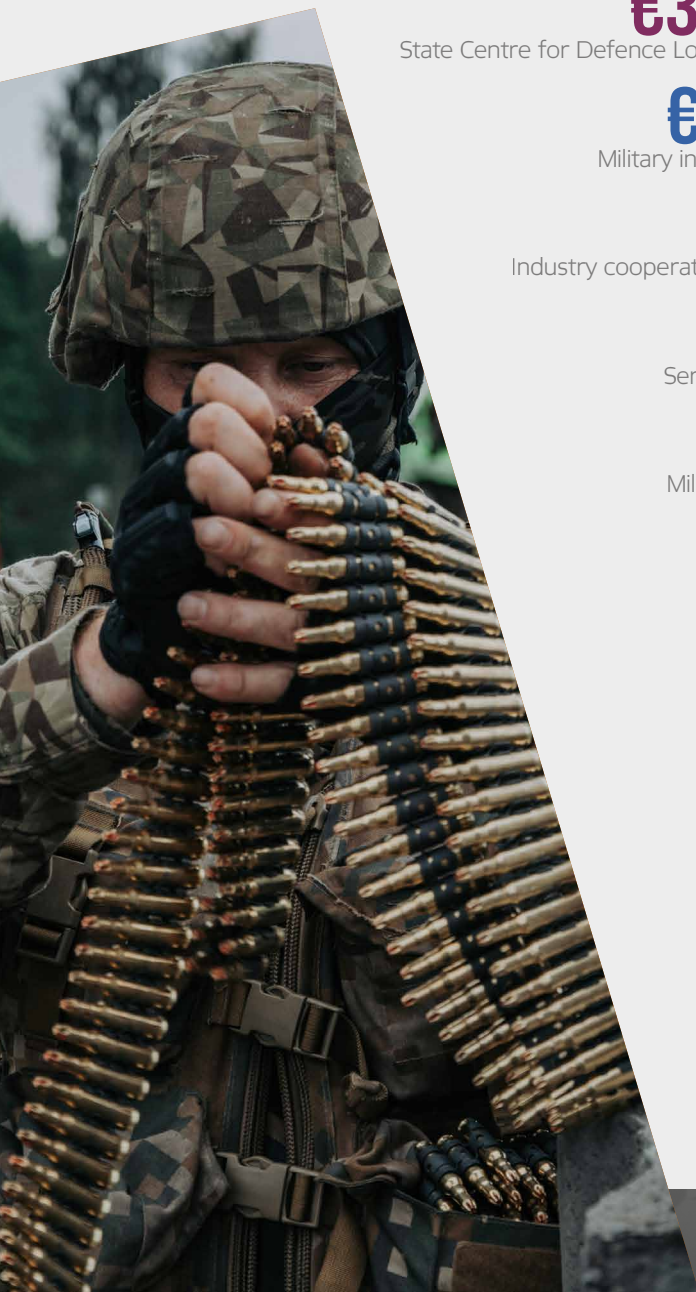
External border technologies and maintenance, transfer to the Ministry of Interior

€3 255 015

Colonel Oskars Kalpaks Military High School

€2 131 366

Latvian War Museum



ON-GOING ACTIVITIES IN 2026

Development of military infrastructure, including continued development of Selonia Military Training Area, infrastructure for National Defence Service and specific capabilities and host nation support of allied forces.

135.16 MLN. EUR

Development of Latvia's eastern border defence line by upgrading physical and engineering/technical border security, and building NAF support and ammunition storage locations near border.

55.00
MLN. EUR

Governance of cybersecurity policy and capability development through oversight activities identified in the National Cybersecurity Law, including enforcement of compliance among regulated entities via new state information system, national cybersecurity certification procedure, expanding of cybersecurity resilience safeguards and regular cyber threat table-top tests. CERT.LV cybersecurity support (transfer).

Defence-oriented research and science, grants and defence research programme, incl. financial contributions.

25.92
MLN. EUR

Subsidies and grants for organisations (NGOs promoting military patriotism, maintenance of Brethren Cemetery, ICT infrastructure DDoS safeguards, enterprise, Altum support to troops).

3.57
MLN. EUR

Support to Ukraine up to 0.25% of GDP in scope of Drone Coalition.

109.88
MLN. EUR

28.21
MLN. EUR



Testing of counter-drone missiles made in Latvia

COOPERATION WITH DEFENCE INDUSTRY

In 2026, Latvia's defence sector will continue to build closer cooperation with local companies in order to strengthen national security, promote industrial base and growth of the national economy. This goal will be achieved through a vast number of activities – from supporting everyday operations to high technologies and military industrial projects. It will activate local market where companies generate services and products for NAF, while also absorbing large portion of defence spending to create new jobs and develop innovations.



SUPPORTING EVERYDAY WORK OF NAF

200 MLN. EUR

Latvian companies are already taking part in tenders for provision of catering, technical maintenance, military base infrastructure maintenance and management, transport and also other essential services. Procurements create a stable flow of orders to local providers and ensure continuity of NAF operations. Supporting of NAF everyday work is expected to cost around 200 million euro annually.

Modern canteen at Camp Lūznava, opened in 2025

INFRASTRUCTURE CONSTRUCTION **135** MLN. EUR

Local construction and engineering firms implement projects for development of military bases, warehouses and regional training areas. Projects are funded from defence budget and are essential for regional development and national security. 135 million euro will go to construction in 2026.

Shooting range at Camp "Ceri" National Guard Combat Support Battalion 17 area, opened in 2025



INDUSTRY DELIVERING LARGE NAF CAPABILITY CONTRACTS

200 MLN. EUR

Ministry of Defence aims to strengthen NAF supply chain by ensuring that local industry delivers 30% or more of the scope of major NAF contracts. For example, there have already been signed NAF capability development contracts for Patria 6x6 APCs, IRIS-T medium range air defence systems, ASCOD IFVs, RBS-70 NG air defence systems, Spike anti-tank missile systems un Skorpion 2 remote mine-laying systems. These projects will extend beyond 2026. These projects are expected to bring around 200mln euro into Latvian economy in the long run.

Skorpion 2 remote mine-laying systems. Image: Dynamit Nobel Defence

DRONES

100 MLN. EUR

The new Autonomous Systems Competence Centre combines innovation, research and procurement expertise. It embeds NAF operational needs into development and implementation of new technologies. It facilitates introduction of more modern and safe defence technologies in Latvia. Additional UAV capabilities and Drone Coalition will receive at least 100 million euro in 2026.

Penguin drone



STATE DEFENCE CORPORATION, LLC. PROJECTS

13 MLN. EUR

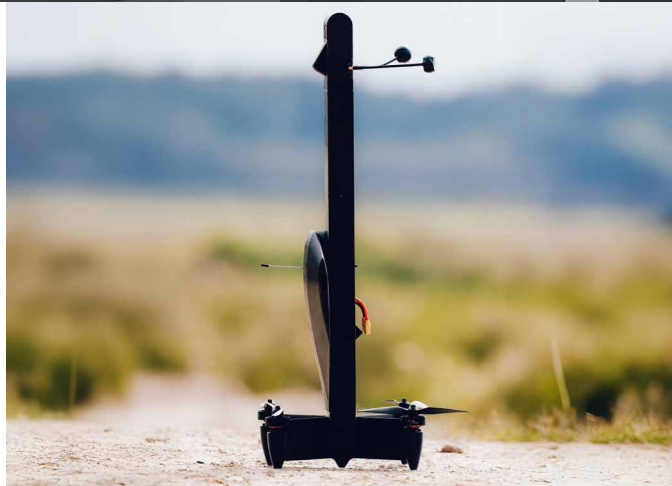
In 2026, State Defence Corporation, LLC. will continue progress on the 155mm artillery modular charge assembly plant in Iecava. 13 million euro will be invested in the project in 2026. It will be a strategic driver for stronger defence capabilities, development of national defence industry and resilience of ammunition supply chains.

Launch of the construction of artillery modular powder charge assembly facility in Iecava

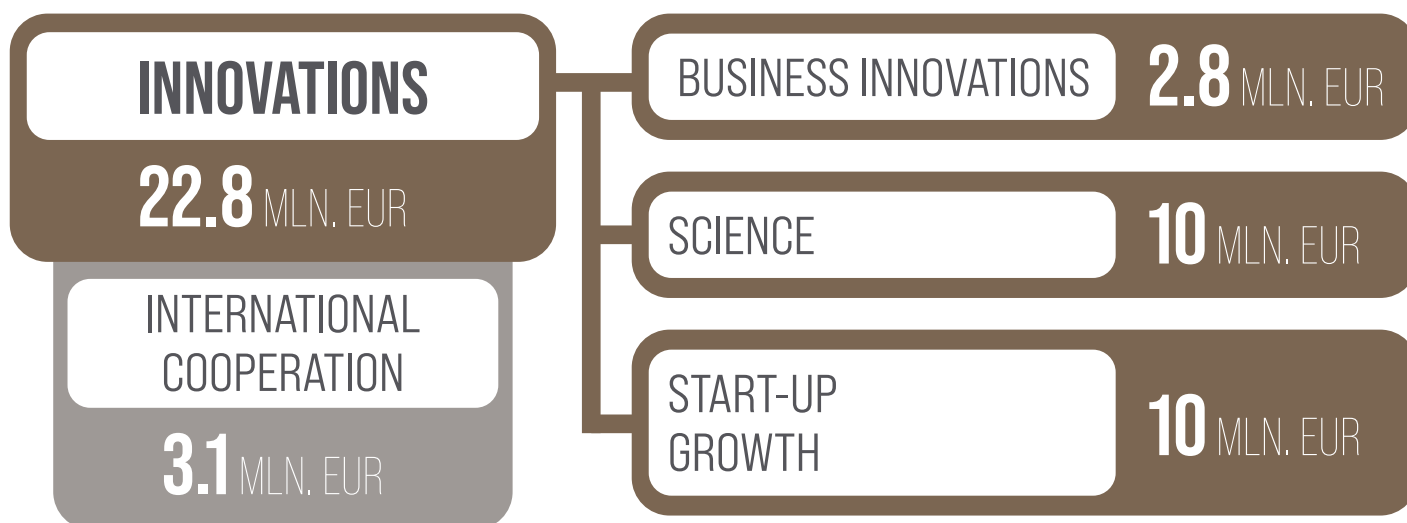
In 2025, State Defence Corporation, LLC. and German military industrial company Rheinmetall signed a Memorandum of Understanding on construction of 155 mm artillery ammunition facility in Latvia. Successful implementation of the project will benefit Latvia's defence and the economy. These projects will also create new opportunities for partnerships with Latvian companies. State Defence Corporation, LLC. is a state-owned enterprise established by the Ministry of Defence.

INNOVATIONS AND TECHNOLOGIES FUNDED IN 2026

In 2026, Ministry of Defence will continue to implement strategically-oriented defence industry and research support policy aimed at ensuring transparent, cohesive and efficient growth of national defence industry and more favourable defence innovation ecosystem. The Ministry of Defence **intends to support new innovations and technologies with 25.9 million euro in 2026.**



Interceptor drone



INNOVATION AND TECHNOLOGY SUPPORT: EXAMPLES

- **Grant scheme:** annual call for proposals for SMEs developing military and dual-use technologies.
- **Pre-accelerator grants for start-ups** manufacturing military or dual use goods. A contract signed with four Latvian universities in 2025 will deliver national pre-accelerator programme for start-ups.
- **Business accelerator:** support for Unilab Defence, the national accelerator site accredited by NATO DIANA.
- **Fast track:** procedure that ensures faster review of applications for military production by companies.
- **Defence Innovation Fund:** dedicated facility for medium-term venture capital investments in start-up growth to generate innovative military products.
- Support programmes run by Ministry of Economy and EU funds provide additional instruments until 2027 for development of dual use products. Together with the Central Finance and Contracting Agency, support available for internationalisation and development of new products will reach the total of €26 954 264, whereas business productivity development support provided in cooperation with ALTUM will amount to €98 377 792.

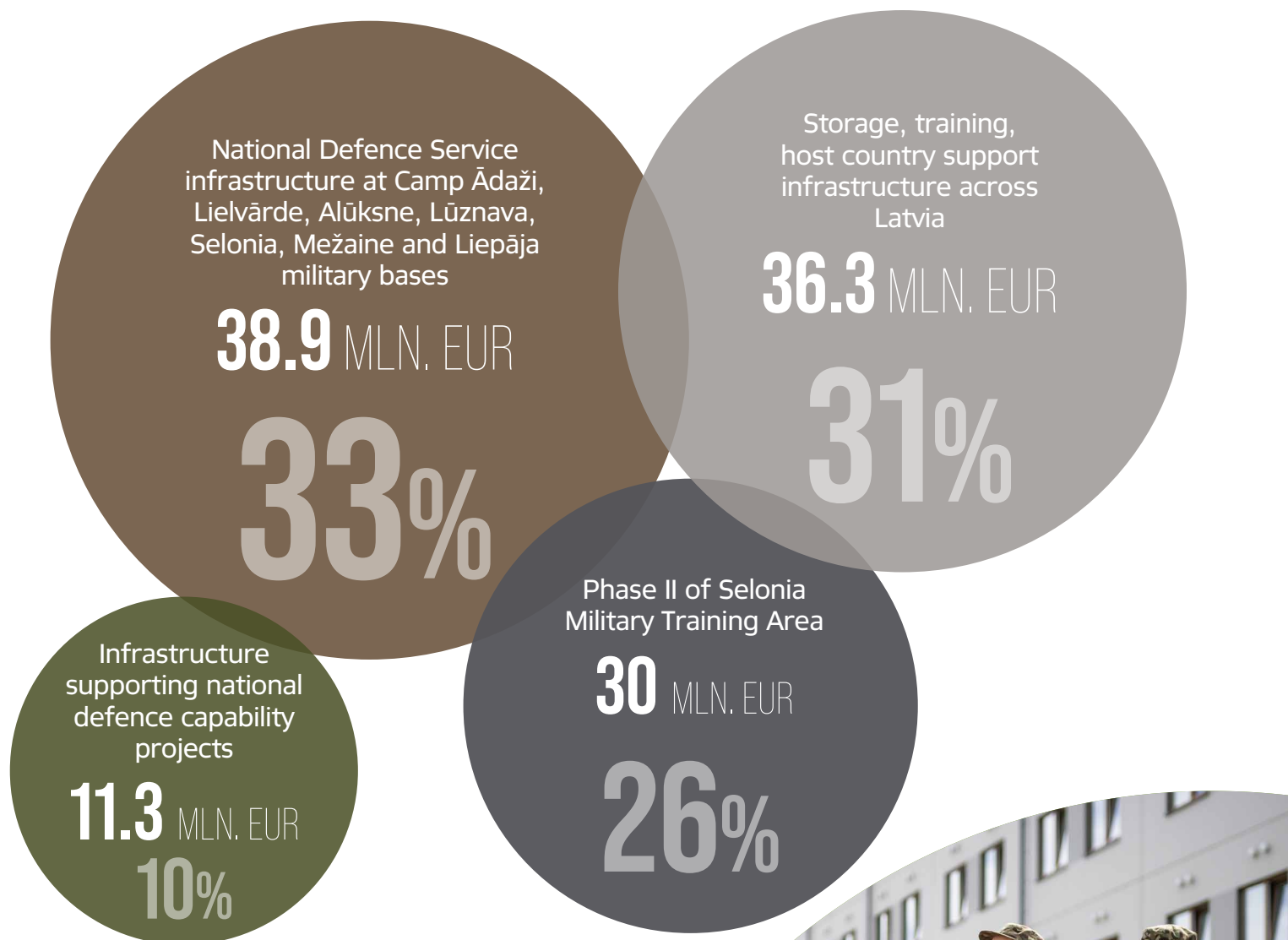
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DEFENCE INFRASTRUCTURE DEVELOPMENT IN 2026

€135.1 million of national defence funding will be spent on development of military camps and training infrastructure in 2026. In 2026, €116.5 million, or 85% of spending, will go into continuation of priority military construction projects. In addition to priority military infrastructure, funding will also support the development of National Guard bases.

Construction priorities of the Ministry of Defence in 2026:



Defence sector will continue to develop NAF infrastructure. In the coming years, the main focus will be the capability upgrade projects, regional military camps, National Defence Service, warehouses, training and exercise infrastructure required to strengthen regional defence capabilities, create new jobs and promote economic growth of Latvia.

In 2026, defence sector will continue to reinforce military security of Latvia's eastern border, including counter-mobility infrastructure, procurement and on-site installation of counter-mobility facilities. **Funding for border infrastructure will reach €55 million.**



National Defence Service troops: Camp Ādaži

PATRIOTIC EDUCATION OF YOUTH

The Ministry of Defence and its agencies are responsible for the patriotic education of youth, which plays significant role in strengthening their civic awareness and sense of belonging to Latvia. **€22.39 million** will be invested in patriotic education in 2026.



National Defence Education: drone camp



National Defence Education: drone camp

CADET FORCE CENTRE 16.44 MLN. EUR

Cadet Force Centre is responsible for National Defence Education at schools and Cadet Force training. Cadet Force enlists some 8 000 children and youth. In 2025/2026 school year National Defence Education course will be taught to roughly 42 000 young people.

The Cadet Force Centre promotes participation and awareness of Latvian youth about comprehensive defence system, state defence education, physical preparedness and other skills young people need to contribute to comprehensive national defence.

3.26 COLONEL OSKARS KALPAKS MILITARY HIGH SCHOOL MLN. EUR

Colonel Oskars Kalpaks Military High School has 120 students. It specialises in sciences, skills vital for personal development, integrity and critical thinking, military competence that is required to continue education at the Latvia's National Defence Academy or other military education institutions abroad.



Colonel Oskars Kalpaks Military High School: student starting school year



National Defence Education: drone camp

GENERAL PĒTERIS RADZIŅŠ 2.69 MILITARY HIGH SCHOOL (MALTA) MLN. EUR

The Cabinet of Ministers has supported establishment of General Pēteris Radziņš Military High School (Malta), which will open its doors in 2026/2027. It will reinforce patriotic education and provide military training for youth in Latgale. It is expected that 30 students will start their education at the college in its first year.

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