LESSONS FROM UKRAINE

Extended version · 2026

# Agile Procurement for Rapid Technological Change

Extended version of the “Move Fast and Innovate: Agile Procurement in Ukrainian Defence” from the Lessons Learned from Ukraine series.


AUTHORS

Elena Davlikanova
Polina Istomina
Jade McGlynn
Chris Pool






Sahaidachnyi Security Center

**About this publication**

This publication has been prepared as an extended version of the Lessons from Ukraine series paper “Move Fast and Innovate: Agile Procurement in Ukrainian Defence.” The Lessons from Ukraine series is a standing publication initiative under the Centre for Statecraft and National Security (CSNS) Ukraine and Russia Programme that channels leading Ukrainian defence and security analysis directly into UK policy debate. Working with Ukrainian military units and analytical centres, the series co-publishes policy-facing papers on issues of direct relevance to UK national security.

This extended version has also been prepared as supporting material for the Defence Academy of the United Kingdom.

**Acknowledgement.** Special thanks go to Oleh Blinov, Defence Procurement Expert at the Reform Support Office of the Ministry of Defence of Ukraine and the Defence Procurement Reform Project, Coordinator of Project 100, and Yanina Chernetska, Head of Strategic Hub SHIELD for sharing their practical experience and contributing to a deeper understanding of the issues examined in this publication.

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# 01 Summary

- **NATO will not fight a "different war" if it enters direct conflict with Russia.** New-generation warfare dictates its own rules, while wishful thinking does not shape the battlefield. The rapid convergence of drones, missiles, robotics, EW, software and precision strike means that logistics and procurement have become closely intertwined with the innovation cycle. Procurement increasingly determines how quickly armed forces can translate battlefield learning into usable capability.
- **Out of dire necessity, Ukraine has developed a multi-layered procurement system built around two major models**: centralised and decentralized or unit-driven procurement. Both are supported externally by international mechanisms connecting Ukrainian demand and industry with partner financing and procurement structures. *Centralised procurement* is built around requirements formulated by the General Staff – now partly informed by data on military units' actual purchasing choices under decentralised procurement mechanisms – and approved and governed by the Ministry of Defence, contracted by the Defence Procurement Agency and supported by the Logistics Forces Command. *Decentralised procurement* refers to procurement initiated by military units using funds received through the general and special funds, subventions, allocations from 10% of personal income tax revenues, and charitable financial assistance. It gives funded combat units the authority to procure lethal and non-lethal items independently, including drones, mortars, rifles, electronic warfare systems and unmanned ground vehicles. Both models are extensively digitalised. *International mechanisms* include the Danish model, PURL, NSPA, SAFE, EDIP and, since 2026, the CORPUS coalition of procurement agencies.
- Since 1 January 2026, the **Defence Procurement Agency** (DPA) has served as the Ministry of Defence of Ukraine's sole centralised procurement body, which uses **four principal mechanisms** depending on the type of product being purchased, the degree to which the military requirement is already specified, the number of potential suppliers, and the sensitivity of the information involved. These are *open tenders through Prozorro, closed competitive tenders, direct contracting against a defined specification, and the DOT-Chain Defence digital marketplace, along with other digital instruments*.
- **Heavy digitalisation of procurement processes raises effectiveness and drives innovations.** DOT-Chain Defence gives funded combat units direct choice among pre-qualified products; Brave1 Market provides a catalogue of defence technologies; DELTA records and verifies battlefield results, providing the data used to award ePoints for confirmed enemy targets destroyed or damaged, which are subsequently converted into purchasing power. Together, these and other tools increasingly connect combat effectiveness, unit demand, procurement and production decisions in a single data-driven cycle. Other digital tools, such as Prozorro, support procurement officers in conducting purchases and help producers connect directly with military units.
- **Military units have become actors in supply shaping and technological development.** They influence General Staff requirements, generate demand through their own purchases, and increasingly operate as battlefield testers, R&D centres and sometimes producers. The NOVA Technology Centre, AB3.Tech, the 7th Rapid Response Corps' Innovation and Technology Centre and Magyar's Birds demonstrate how military formations can repair, modify, develop, test and feed technologies directly into industrial production.
- **This requires new rules for military innovation and intellectual property.** Ukraine has begun formalising ownership, licensing and rewards for technologies created inside military formations. Military-developed technologies can now be licensed to industry, while inventors can receive a share of licensing revenue, creating a pathway from battlefield invention to scalable civilian production.

- **Unit-level procurement also requires professional procurement personnel.** Ukraine introduced dedicated procurement officers in military units and developed Project 100, which combines long-term training, practical procurement cases and mentoring. By August 2026, the programme had reached 707 specialists from 411 units, creating a professional interface between battlefield requirements, markets, law and available budgets.
- **Codification has been redesigned to match faster technological cycles.** The MoD's Window for Weapons and Military Equipment Manufacturers, accessible through Arsenal, Brave1 and ZBROYA, integrates documentation and electronic applications, while Iron Range provides access to state-supported testing. Products can now be codified before a procurement requirement exists, incremental modifications can retain an existing NSN, and a complete application can receive an NSN within up to ten days after documentation and testing are complete.
- **Speed creates new problems of interoperability, quality and lifecycle support.** The proliferation of different unmanned systems configurations has produced a technological "zoo," making modular standardisation increasingly important. Ukraine is also moving from formal technical compliance toward verified battlefield performance, using data from DELTA, Mission Control, ePoints, Brave1 and DOT-Chain, while AQAP-based quality assurance and contracts covering training, maintenance, software updates and upgrades seek to make technical support part of the procured capability.
- **The broader lesson for NATO is a deliberate division between scale and adaptation.** High-end platforms will remain long-term, state-coordinated programmes, while drones, EW, software, robotics and other rapidly evolving capabilities require shorter procurement clocks, digital marketplaces, operational feedback, procurement authority closer to tactical units and greater access for smaller technology companies. Central procurement should provide scale and strategic coherence; decentralised mechanisms should provide speed; and digital systems should connect both to battlefield data and continuous technological change.

> Despite Russia's full-scale sub-threshold warfare against Europe, NATO allies generally operate under peacetime legal frameworks, multi-year budget cycles and more rigid contracting rules. **The most transferable elements are therefore digital marketplaces, pre-qualified supplier pools, data-driven demand formation and continuous operational feedback.** Measures such as broad delegation of contracting authority to military units or accelerated codification procedures are more likely to require dedicated crisis or emergency legislation.

# 02 Introduction

Russia's full-scale invasion in February 2022 forced Ukraine to transform defence procurement while simultaneously fighting the largest conventional war in Europe since 1945. The Armed Forces expanded rapidly and required gear, weapons, ammunition, vehicles, fuel, food, clothing and other materiel on a scale that the pre-full-scale invasion procedures had not been designed to supply.

Though Ukraine had been at war since 2014, its procurement architecture remained substantially the Soviet-derived State Defence Acquisition system. It was centred on a state-owned conglomerate – *Ukroboronprom* – of more than a hundred enterprises, running long cycles, and so opaque that roughly 90% of defence purchases were classified.[1] Reform had begun — the 2020 Law on Defence Procurement was designed to declassify the state defence order and introduce competitive procedures — but it entered into force only in January 2021, was applied partially from January 2022, and was then displaced by martial-law procurement rules before it had ever operated as intended.[2] Thus, as of 24 February 2022, the procurement procedures were poorly suited to a war in which the demand spiked sharply, requirements could change within weeks, commercial technologies could become weapons, new producers could enter the market in months.

The initial response came partly from outside the formal defence procurement system. Citizens, businesses, volunteer organisations, local authorities and military units created parallel channels for buying drones, thermal imagers, communications equipment, vehicles, electronics and other equipment directly for frontline formations. Civil society did not merely mobilise additional money. It created an alternative procurement network capable of quick reaction to constant needs, finding suppliers and delivering equipment considerably faster than the state system.[3]

Since 2022, Ukraine's volunteer fundraising ecosystem has mobilised billions of dollars for the Defence Forces. Two of Ukraine's largest military charities - Come Back Alive and the Serhiy Prytula Foundation alone - have raised around $1.4 billion for the Defence Forces both domestically and abroad from private and state donors.[4] More than $3.3 billion has passed through monobank fundraising jars.[5] Business-driven and local civil society fundraising and defence supply initiatives are countless, while units also launch their own need-focused media fundraising campaigns. The state-driven UNITED24 defence programme has raised a further $3.77 billion.[6] The funds come from Ukrainian citizens and businesses as well as diaspora, foreign donors and international grants.

International partners simultaneously became part of the procurement system. In 2025, foreign funding for Ukraine's defence industry reached $6.1 billion. The Ministry of Defence reports these flows by channel rather than as additive shares: nearly $1.8 billion under the Danish model, over $4.3 billion through direct procurement by partner states, and more than $1.1 billion from proceeds on frozen Russian assets. These categories overlap, as frozen-asset proceeds have been channelled through mechanisms including the Danish model and partner-led procurement arrangements.[7]

1 In 2023, Ukroboronprom was reorganised as the joint-stock company Ukrainian Defense Industry (UDI), part of a broader effort to bring the sector's corporate governance practices into line with OECD standards. Independent Defence Anti-Corruption Committee (NAKO), "Defense Industry," accessed September 8, 2026, nako.org.ua/en/direct/defence-industry/

2 Independent Defence Anti-Corruption Committee (NAKO), *Defence Procurement Procedures under Martial Law: Challenges and Solutions* (April 24, 2023), https://nako.org.ua/wp-content/uploads/2025/12/2023-04-24-11_16_29-defence-procurement-procedures-under-martial-law.pdf

3 Polina Istomina, Lesia Ogryzko, and Anastasiia Haievska, *Civil Society Role in Ukrainian Defense* (Kyiv: Sahaidachnyi Security Center, 2025), https://sahasec.org/research/civil-society-role-in-ukrainian-defence/

4 "The Largest Donors to the Armed Forces of Ukraine," Bukvy, February 2026, https://bukvy.org/en/the-largest-donors-to-the-armed-forces-of-ukraine/; Come Back Alive, "Come Back Alive Foundation," accessed September 8, 2026, https://savelife.in.ua/en/; "Serhiy Prytula Foundation Raises over UAH 13B in Six Years," *The New Voice of Ukraine*, July 21, 2026, https://english.nv.ua/nation/serhiy-prytula-foundation-marks-sixth-anniversary-50626042.html

5 Monobank, "Banka: Saving and Donating," accessed September 8, 2026, https://monobank.ua/en/blago-banka.

6 UNITED24, Reports, accessed September 8, 2026, https://u24.gov.ua/uk/reports.

These mechanisms fill the gap in Ukraine's procurement capabilities.[8] Ukrainian defence-industrial capacity reached $35 billion in 2025 and is assessed at up to $55 billion by mid-2026, while state weapons procurement runs at roughly $10 billion annually.[9]

However, the most significant transformation has taken place within the state procurement system itself, which has become considerably more flexible, innovative and digitally integrated. It is simultaneously centralized and decentralized / unit-driven, and is supported by multiple domestic and foreign actors. Large-volume procurement, ammunition, major weapons, strategic stocks and standardised sustainment remain centrally managed. At the same time, military units increasingly receive resources and authority to purchase technologies required for immediate operational tasks. Digital marketplaces such as DOT-Chain Defence and Brave1 Market allow the military to choose systems, simultaneously boosting market competition and constant technological evolution, while Prozorro contributes to transparency. Codification procedures were simplified and digitalized to shorten the cycle between prototype development and supply to an end user.[10]

This brief looks into Ukraine's current and future successes and failures in building a procurement system in which requirements, battlefield data, contracting, production, delivery, technical support and subsequent modification operate as one continuous innovation cycle.



7 Ministry of Defence of Ukraine, "The Ministry of Defence Secured over $6 Billion for Ukraine's Defense Industry in 2025," January 3, 2026, https://mod.gov.ua/en/news/the-ministry-of-defence-secured-over-6-billion-for-ukraine-s-defense-industry-in-2025; Ministry of Defence of Ukraine, "Ukraine to Receive €1.3 Billion under the 'Danish Model' in 2025," June 5, 2025, https://mod.gov.ua/en/news/ukraine-to-receive-1-3-billion-under-the-danish-model-in-2025;

8 Kateryna Bondar, "From Production to Procurement: How Europe and Ukraine Are Transforming Defense Supply Chains," Center for Strategic and International Studies (CSIS), December 10, 2025, https://www.csis.org/analysis/production-procurement-how-europe-and-ukraine-are-transforming-defense-supply-chains.

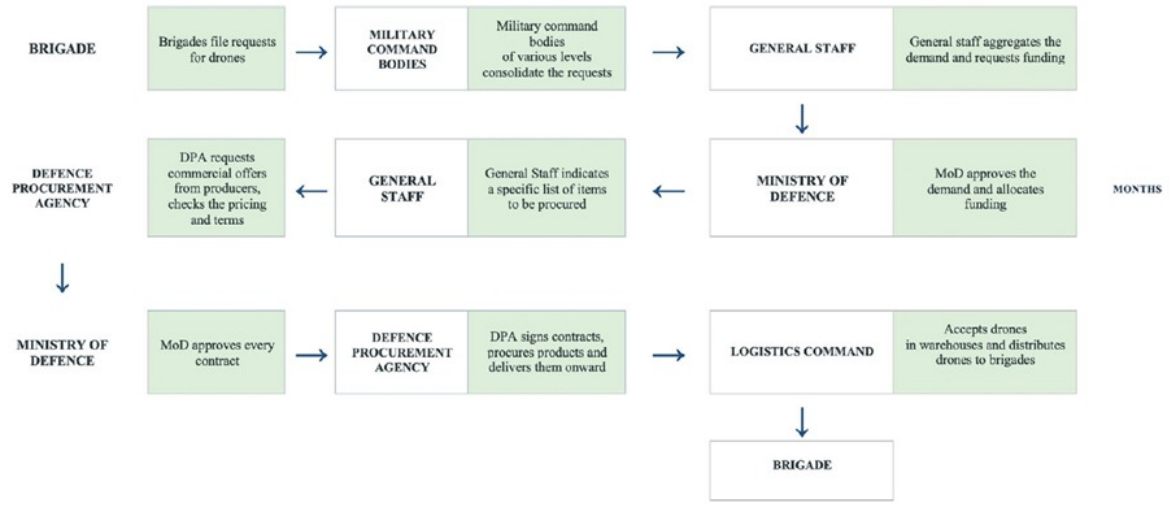
9 Defence Ukraine Team, "Selling the Arsenal: Inside Ukraine's Controlled Arms-Export Regime," Defence Ukraine, August 17, 2026, https://www.defenceukraine.com/en/insights/ukraine-controlled-arms-exports-2026/. (defenceukraine.com)

10 Ukrainian Armed Forces joke that the end user is the enemy.

# 03 Mapping Actors and Tools in Ukraine's Procurement System

*Ukraine's defence procurement system has evolved into a multi-layered, multi-actor and increasingly digitalised structure, bringing together central government institutions, military commands, the Defence Procurement Agency, individual military units, digital platforms and private manufacturers.* Its modernisation has created a more flexible system in which strategic planning, competitive procurement, decentralised purchasing, digital marketplaces, codification and battlefield feedback operate through interconnected but distinct channels.

Arsen Zhumadilov, former head of Ukraine's Defence Procurement Agency, outlined the original centralised top-down procurement system and described the philosophy behind a reform.[11] It drew on Britain's "new public management" reforms of the 1990s, which introduced quasi-markets into healthcare, education and social care by combining public funding with user choice and competition among independent providers.




*Pre-reform procurement cycle.* ***Source:*** *Arsen Zhumadilov and Julian Le Grand, "Markets at War: The Procurement of Ukrainian Drones," The Political Quarterly, September 14, 2026*

Cabinet Resolution No. 1178 establishes special public procurement rules during martial law, which also apply to defence-related purchases conducted under general procurement procedures. Resolution No. 1275 facilitates simplified procurement procedures, including direct purchasing by military units, enabling operational requirements to be translated into contracts more rapidly than under the pre-war system. Ukraine's wartime defence procurement operates within a complex legal framework comprising more than 40 principal legislative and regulatory acts, including national laws, Cabinet resolutions and ministerial orders, supplemented by additional administrative instructions and decisions.

11 Arsen Zhumadilov and Julian Le Grand, "Markets at War: The Procurement of Ukrainian Drones," *The Political Quarterly*, published online September 14, 2026, https://doi.org/10.1111/1467-923x.70124.

## Procurement Architecture

Actors and Mechanisms Within Ukraine's Procurement System

| Centralised procurement | Decentralised / unit-driven procurement[12] | External International Mechanisms | |
|---|---|---|---|
| | | International procurement channels | Financing and cooperation instruments related to production and procurement |
| General Staff of the Armed Forces / Central Directorate for Defence Resources – forms and submits the requirement: nomenclature, quantity, deadlines.<br>Ministry of Defence – policy owner. Sets requirements and priorities, exercises control and approval. Withdrew from direct purchasing, retaining rule-setting and oversight.<br>Defence Procurement Agency (DPA) – since 1 January 2026, MoD's sole centralised procurement body, buying weapons, ammunition, UAVs, equipment, clothing, food and fuel under one point of responsibility.<br>The DPA uses open Prozorro tenders for non-lethal supplies; closed competitive tenders, framework agreements and direct contracts for weapons and military equipment; and DOT-Chain Defence and Brave1 e-points for unit-driven procurement.<br>Logistics Forces Command – monitors contract execution and delivery; handles accounting, distribution and stock management. | Funds available to military units include funds allocated by the MoD from the general and special funds; funding under dedicated programmes; subventions from local budgets; charitable assistance and citizens' donations; redistributed personal income tax (PIT) revenues.<br>Brave1 Market enables military units to identify suppliers for direct purchases; order equipment using earned ePoints, and procure through DOT-Chain Defence, where contracting and financing are managed centrally.<br>- Equipment transfers by volunteers, charitable foundations, military administrations and local communities, in response to requests from military units.<br>Procurement officers in military units – introduced as dedicated staff positions in December 2024, replacing the previous practice of assigning procurement duties to existing personnel and tender committees.<br>Military units conduct decentralised procurement through open tenders, simplified procedures, requests for quotations via Prozorro Market, direct contracts below procurement thresholds or under specified exceptions, and direct contracts for weapons and specialised military equipment, in accordance with Cabinet Resolution No. 1275.<br>Unit technology centres and workshops – repair, modify, test and in some cases produce equipment. | NATO Support and Procurement Agency (NSPA) – Ukraine joined in 2016; first trial purchase by the MoD in 2020.[13]<br>Prioritised Ukraine Requirements List (PURL) – NATO-coordinated list funded by partner contributions, primarily for US-origin systems.<br>Direct procurement by partner states and the "Danish model" – allied funds contract directly with Ukrainian manufacturers. | Frozen Russian asset proceeds – over $1.1 bn to the defence industry in 2025.<br>European Defence Fund – accession agreement signed July 2026; on ratification Ukrainian firms gain access to joint R&D and grant funding.[14]<br>European Defence Industry Programme (EDIP) – financing agreement signed July 2026.<br>Security Action for Europe (SAFE) – Ukrainian defence-industrial projects submitted with expected funding of $5 bn.<br>Localisation and joint ventures – Build In Ukraine: foreign manufacturers producing inside Ukraine, Ukrainian know-how exported, JVs created.<br>CORPUS (Coalition for Resilient Procurement and Unified Support, April 2026) – permanent cooperation between the DPA and the procurement agencies of Finland, Italy, Norway, Sweden and the United Kingdom. |
| Centralised instruments ensuring decentralisation:<br>Equipment selection through DOT-Chain Defence: Military units select the items, while the DPA concludes contracts and pays for the goods, which are then delivered to the units.<br>Brave1 e-points (Army of Drones Bonus) – the unit spends performance-based points in its Brave1 account, which passes the order to the DPA, which contracts and delivers.<br>Drone Line (presidential project) – a programme providing brigades with dedicated state and international funding. The MoD allocates funds to military commands, which determine their distribution among individual military units. | | | |

Defence Procurement Agency (DPA) is a single central procurement agency since 1 January 2026, after the State Rear Operator merged into it under MoD Order No. 281 of 2 May 2025. It conducts procurement on the basis of a requirements list prepared by the General Staff (GS) and approved by the Ministry of Defence (MoD).

In fully centralised procurement, military units submit requirements while the Defence Procurement Agency aggregates demand, contracts suppliers and pays for deliveries. Under DOT-Chain Defence, funding is still allocated centrally, but combat units choose the exact systems and quantities they need;

12 This model is a spectrum from complete autonomy to state funded mechanisms. While the model is called decentralised, MoD reminds that much of allocation of funds is still centralised. Moreover, operations of procurement officers are oversighted by the Treasury. DOT-Chain is also an instrument of the centralized model but it allows units to meet their needs in specific products.

13 Ukraine's Defense Ministry Completes First Contract via NATO Procurement Agency, Kyiv Post, December 1, 2020, https://www.kyivpost.com/ukraine-politics/ukraines-defense-ministry-completes-first-contract-via-nato-procurement-agency.html

14 Ukrainian Defence Companies to Gain Access to EU Funding Programmes, Including €300m Ukraine Support Instrument," The Defender, July 16, 2026, https://thedefender.media/en/2026/07/ukraine-edf-usi/.

the Agency then concludes the contract, makes the payment and oversees delivery. Brave1 Market performs three distinct functions within Ukraine's decentralised procurement system. It enables military units to identify potential suppliers and purchase equipment directly from manufacturers; select and order products using ePoints earned for verified combat results; and access equipment through the DOT-Chain Defence marketplace, with contracting and financing managed centrally by the Defence Procurement Agency. The second and third pathways are mechanisms of centralised procurement. At the most decentralised end, a military unit formally authorised under Resolution No. 1275 can itself conduct the procurement procedure and sign the contract using allocated funds, cooperate with local communities and charitable foundations. Thus, the role of the military unit in these mechanisms is defined by the degrees of delegation—from identifying demand, to choosing the product and controlling an allocated budget, to conducting procurement and contracting directly—while the authority to allocate public funds and delegate procurement powers remains centralised. For more details please see Annex 2.

## Centralised and Decentralised Procurement

### Funding, procedures, instruments and programmes

| | **Centralised**<br>MoD and DPA decide and pay | **Decentralised / unit-driven**<br>Unit decides and buys |
|---|---|---|
| **Funding** | • **MoD budget** funds the contracts the DPA concludes for centrally approved requirements.<br>• **Danish model:** partner money pays Ukrainian producers for what the Armed Forces prioritise; Ukraine proposes the projects and Danish experts vet the companies. | Funds at the unit's disposal on state-owned accounts, from several sources:<br>• MoD allocations from the general and special funds<br>• Earmarked transfers: subventions from local budgets, charitable assistance and citizens' donations<br>• Redistributed military personal income tax (PIT): 10% allocated directly to units |
| **Types of Procurement** | The Defence Procurement Agency, the MoD's sole procurement body, uses:<br>• **Open tenders through Prozorro** – competitive procurement.<br>• **Direct contracts based on specifications**, including for weapons and military or specialised equipment.<br>• **Closed competitive tenders, including framework agreements** (e.g. for FPV drones).<br>• **DOT-Chain Defence** – a digital marketplace connecting military units with suppliers, while the agency handles contracting, financing and delivery.<br>June 2026: the MoD announced plans to gradually shift all defence procurement to electronic tenders. | **Military units conduct procurement under Cabinet Resolution No. 1275 using:**<br>• Open tenders<br>• Simplified procurement procedures<br>• Requests for quotations via Prozorro Market<br>• Direct contracts under specified exceptions<br>• Direct contracts below procurement thresholds<br>• Direct contracts for weapons and military or specialised equipment<br>*Charitable foundations, local authorities and military administrations can buy items on a unit's behalf and hand them over. |
| **Digital Infrastructure** | • **DOT-Chain Defence:** units select items within a guaranteed budget, and the DPA contracts, pays and delivers. | |
| | | • **Brave1 Market purchases:** the unit finds manufacturers, gets a commercial offer and decides on price and parameters, paying with funds at its disposal. |
| | • **Brave1 Market with ePoints:** points earned in DELTA buy equipment, and the order passes into DOT-Chain for contracting.<br>• **Prozorro:** Ukraine's electronic public procurement system for competitive tenders (DPA and units).<br>• **Prozorro Market:** its catalogue of prequalified suppliers for simplified purchases. | |
| **Programmes / Projects** | • **Drone Line:** dedicated funding programme; allocations appear as separate balances in the unit's DOT-Chain cabinet of selected units or are transferred for direct procurement by participating units.<br>• **Army of Drones: Bonus / ePoints:** rewards verified battlefield results with combat points, which units exchange for equipment through Brave1 Market, with procurement and delivery managed through DOT-Chain Defence.<br>• **Basic Level (June 2026):** guaranteed monthly drone and robotic-system supplies through a standardised formula reflecting operational needs, deployment sector and combat intensity, with unit-level equipment selection through DOT-Chain Defence.<br>• **Weapons of Victory list:** long-term contracts (full cycle since Dec 2025).<br>• **Project 100:** training and mentoring for unit procurement officers (2023 pilot). | |

## Four Principal Procurement Types: Open Competition, Closed Competition, Direct Contracting and Digital Marketplace

The Defence Procurement Agency (DPA) uses four principal types of procurement, depending on the category of materiel being purchased, the degree to which the military requirement is already specified, the number of potential suppliers, and the sensitivity of the information involved. These are (1) *open tenders through Prozorro,*[15] *(2) closed competitive tenders, (3) direct contracting against a defined specification, and (4) the DOT-Chain Defence digital marketplace*.[16]

1. **Open tenders through Prozorro** are used primarily for parts of the non-lethal portfolio, dual-use goods and some standardised military supplies. The Agency conducts market analysis, publishes the requirement electronically, and allows qualified suppliers to compete, with the contract awarded on the basis of the most economically advantageous offer. The advantage is price discovery and transparency. Its limitation is that the model works best when the specifications of the product do not change fast and when publishing the procurement does not expose operationally sensitive information. Annex 1 explains the Prozorro architecture in detail and Annex 2 describes its direct use by military units.

The procurement process begins with the *operational requirement*. For weapons, military equipment, ammunition and other military-technical materiel, the General Staff develops a three-year requirement. The General Staff determines what the Armed Forces need, in what quantities and within what timeframe. Commands, branches of service and logistics services submit their requirements to the Main Logistics Directorate of the General Staff, which consolidates them. The calculation takes into account current holdings of weapons, equipment and materiel; the quantities needed to bring units and strategic stocks to prescribed levels; anticipated consumption and combat losses during planned operations; expected replacement and repair requirements; and equipment already expected through state procurement or international assistance. Operational experience and the demonstrated effectiveness of particular systems can also affect subsequent requirements.

15 *Prozorro* is Ukraine's electronic public procurement system, developed after the 2014 Revolution of Dignity as part of a broader anti-corruption reform designed to replace opaque state purchasing with open competition and the principle that "everyone sees everything." Launched in pilot form in February 2015, it became mandatory for central government bodies in April 2016 and for all public contracting authorities from August 2016, making tenders, bids, prices and procurement decisions publicly accessible and allowing eligible suppliers to compete electronically for state contracts.

16 The name *DOT-Chain* originates from the Ukrainian *Derzhavnyi Operator Tylu* (Державний оператор тилу, **DOT**), or State Rear Operator, the Ministry of Defence procurement agency established in 2023 to manage food, fuel, clothing and other non-lethal supplies. DOT originally developed the digital DOT-Chain system to connect military units, suppliers and procurement processes within a single electronic environment. In 2025, this architecture was extended to weapons procurement through DOT-Chain Defence, allowing combat units to select UAVs, electronic-warfare systems and other equipment directly. Although DOT and the Defence Procurement Agency were merged into a single procurement institution from 1 January 2026, the DOT-Chain name was retained for the expanding digital procurement ecosystem.




Centralized Procurement - Open Tenders Through Prozorro

The Central Directorate for Defence Resources and the Main Logistics Directorate then translate the overall requirement into procurement priorities within the available financial envelope. Funded immediate requirements are placed in the first priority. Equipment considered critical to combat capability but for which financing is not yet available is recorded separately as a second priority. The Department of Military-Technical Policy, Development of Armaments and Military Equipment of the Ministry of Defence of Ukraine reconciles the proposed list with the budget and implementation of previous contracts before the final procurement list is approved. The Defence Procurement Agency receives an approved requirement and is responsible for sourcing it from the market.

The technical requirements (TR) are formulated differently depending on the category. For weapons and military equipment, the General Staff formulates TR defining the operational characteristics the system must deliver. For standardised categories such as uniforms, food-service equipment and other materiel, the Ministry of Defence maintains detailed technical specifications and military standards that can be incorporated directly into tender documentation. The DPA converts the approved military requirement and applicable technical standards into tender documentation.

The tender specifies the quantity, technical and quality requirements, delivery timetable, contractual conditions and qualification requirements. Companies submit commercial offers and evidence that both the supplier and the proposed product meet these conditions. The Agency evaluates compliant bids according to the criteria stated in the tender documentation. For sufficiently standardised products, price generally carries decisive weight.

All companies meeting the specified criteria may compete in its open procurement procedures – both Ukrainian and foreign, except from Russian, Belarusian, Iranian or other sanctioned companies. Other

grounds for rejection include specified corruption, economic or criminal offences; conflicts or links capable of distorting competition; bankruptcy; material failures under previous public contracts; and, for sufficiently large contracts, failure to maintain the required corporate anti-corruption arrangements. A bid is also rejected if the proposed product fails to meet the tender's technical specification or other mandatory conditions.

A bidder may be required to demonstrate relevant production or supply capacity, qualified personnel, experience with comparable contracts, financial capacity, certificates or test results, licences where legally required, and compliance of the proposed product with the technical specification.

2. **Closed competitive tenders** are used primarily for weapons, ammunition, UAVs, electronic-warfare systems and military equipment when the General Staff defines the required tactical and technical characteristics rather than a particular model. Several products already available on the market may satisfy that requirement. The Agency therefore creates competition among verified suppliers capable of meeting the specified characteristics while keeping operationally sensitive procurement information within a restricted procurement environment. The principal advantage is the combination of competition with operational security and greater technological choice.




Centralized Procurement - *Closed Tenders Through Prozorro*

Both Ukrainian and foreign producers can participate in these procedures once they satisfy the applicable requirements and provide the documentation required to demonstrate compliance.

The Agency evaluates the technical compliance of the proposed systems together with price, delivery capacity and other stated commercial criteria. Verification covers factors including financial standing, business reputation and compliance with Ukrainian legislation. Economic efficiency remains the principal basis for selection.

For strategically important categories and rapidly evolving technologies such as UAVs, ground robotic systems and ammunition, the Agency can divide the requirement among several suppliers in order to diversify production capacity and strengthen continuity of supply. Here is where the *Framework-based competitive procurement* comes into play, when several manufacturers can meet the same military requirement with different technical solutions. In July 2025, the Agency used this mechanism for its first FPV drone procurement based on tactical and technical specifications, with 19 suppliers qualified under the framework and two tenders comprising 19 lots with a combined value of more than UAH 3.3 billion.[17]

It works in two stages. The first one is *preselection and creation of the supplier pool.* The DPA first creates a framework for a broad product category, such as FPV strike drones, through Prozorro without extensive tactical and technical characteristics. It publishes a qualification announcement and the accompanying selection documentation setting out the requirements that companies must satisfy to become framework participants. Manufacturers or their authorised representatives then submit the required qualification documents through Prozorro. The Agency reviews each application against the published requirements and admits compliant applicants to the framework. Their names are entered into the register of qualified participants, creating the pool of suppliers eligible to compete for subsequent orders. The qualification documents and supplier information are protected within the closed procurement module because of the sensitivity of defence procurement.

The pool functions as a continuously accessible market of pre-qualified suppliers rather than a one-off shortlist.[18] During the qualification period, additional manufacturers can submit applications and join the framework once they satisfy the same admission requirements.

The second stage is competition within the pool. Once the Armed Forces formulate an actual requirement, the Agency moves to a specific procurement. The suppliers therefore compete for the individual order rather than for admission to the framework itself. This allows the Agency to qualify suppliers once and conduct repeated, faster competitions as military requirements evolve.

3. **Direct contracting against a defined specification** is used when the General Staff identifies a specific type, model or product required by the Armed Forces. Instead of asking the market to propose alternative systems meeting broad performance characteristics, the requirement specifies the particular solution to be procured. This is especially relevant where battlefield experience has already established the effectiveness of a particular system, interoperability requires a defined product, an existing fleet needs compatible equipment or ammunition, or only a limited number of manufacturers or licence holders can supply the required highly innovative item. The advantage is that the procurement delivers precisely the system requested by the military and can move rapidly from an established battlefield requirement to contracting. Price discipline depends more heavily on market analysis, comparison of available commercial offers and negotiation by the Agency.

17 Ministry of Defence of Ukraine, "MoD's Defence Procurement Agency Has Announced First FPV Drone Tenders Based on Technical Specifications Worth over UAH 3.3 Billion," July 11, 2025, https://mod.gov.ua/en/news/mo-d-s-defence-procurement-agency-has-announced-first-fpv-drone-tenders-based-on-technical-specifications-worth-over-uah-3-3-billion

18 Example: Prozorro, "Selection Information: FPV-Type One-Way Attack Unmanned Aerial System," UA-F-2025-03-20-000008, accessed September 10, 2026, https://prozorro.gov.ua/uk/framework/UA-F-2025-03-20-000008/contracts.




Centralized Procurement - Direct Contracting

A direct procurement still begins with the approved requirement transmitted to the Agency. The crucial difference lies in the level of specificity. Under the closed competitive procedure, the General Staff defines what the product must be able to do. Under direct contracting, it identifies which product is required. The Defence Procurement Agency then determines which manufacturers, authorised suppliers or licence holders can provide that product and sends requests for commercial proposals to relevant verified suppliers.

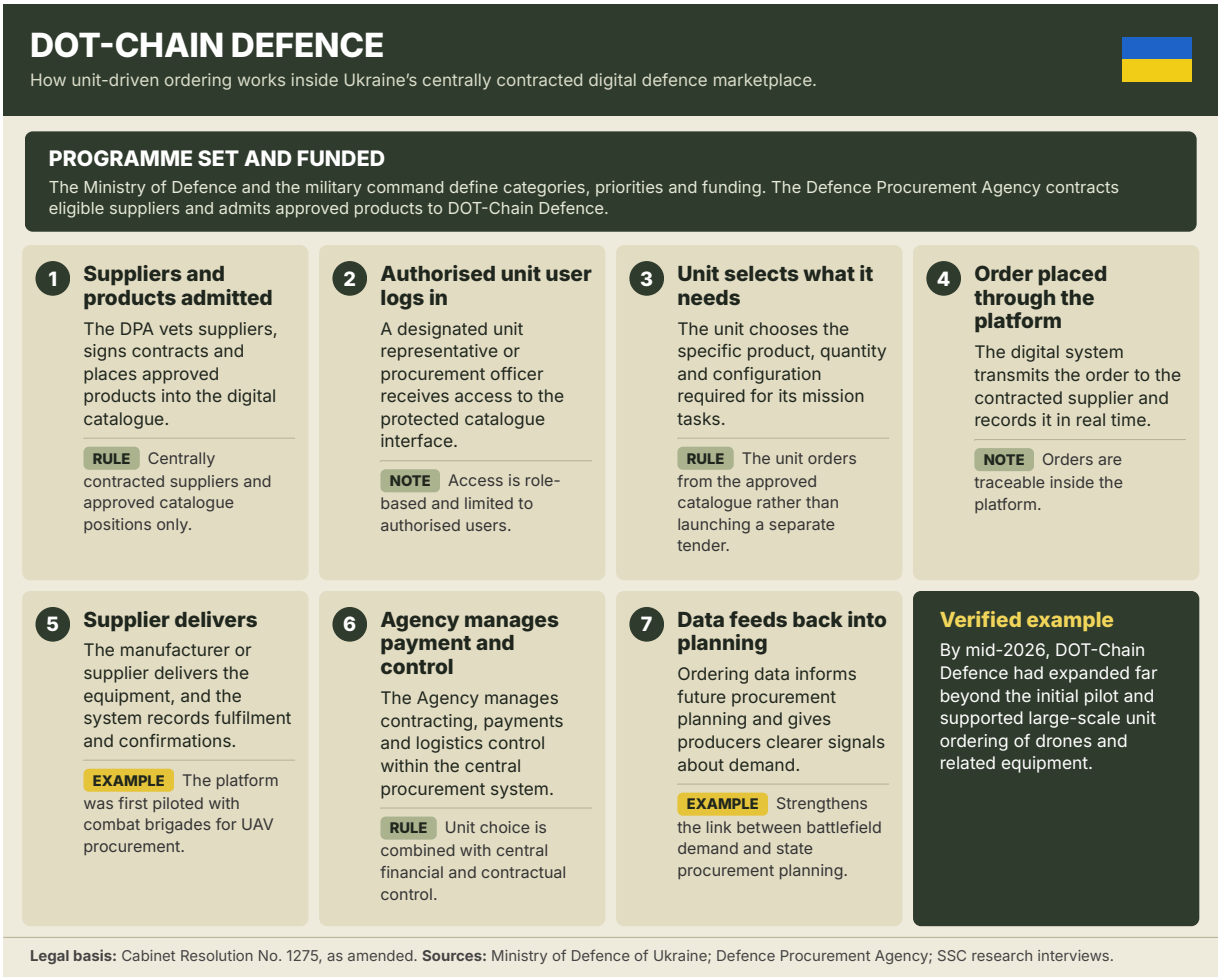
Suppliers provide their proposed price, quantity, production or stock availability, delivery timetable, payment conditions and other information required by the Agency. The Agency analyses the offers and conducts negotiations on price and contractual conditions. Where several manufacturers or authorised suppliers can provide the specified product, the Agency can compare their commercial offers before selecting the contracting arrangement. This gives the state a degree of market testing even where the military requirement already specifies the product.

The procurement is subsequently considered by the Agency's collegial decision-making body and coordinated with the Ministry of Defence under the applicable internal procedure. Once approved, the Agency concludes the state contract, finances the delivery and monitors its implementation. For UAVs, ground robotic systems and ammunition, the requirement may also be distributed between several producers when several qualified sources can manufacture the specified system or product.

The procedure is therefore particularly suited to systems whose operational value has already been demonstrated. A unit may establish through combat use that a particular UAV, electronic-warfare system, munition or other piece of equipment performs especially well under specific frontline conditions. Once that product is incorporated into the centrally approved requirement, direct contracting provides a mechanism for scaling the demonstrated solution through state procurement.

The dividing line between this and the previous mechanism is therefore the formulation of the military requirement. A performance-based requirement leads to competition among alternative products; a product-specific requirement leads to direct contracting for the identified solution.

4. **DOT-Chain Defence** introduces a different procurement logic.[19] The online market platform is designed primarily for categories in which operational requirements and technological performance change particularly quickly.[20] By August 2026, units could order UAVs, electronic-warfare equipment, ground robotic systems, ammunition and payloads for unmanned systems. The catalogue contained more than a thousand products from over 300 manufacturers.




Centralized Procurement - DOT-Chain Marketplace

Supplier access is organised by the DPA. Ukrainian manufacturers apply to join the system, undergo the required verification and documentation process and conclude a contract with the Agency before receiving access to the supplier interface.

The General Staff and Ministry of Defence determine which combat units receive access to DOT-Chain Defence and how much funding is available to them. The Ministry of Defence establishes the overall financial envelope for procurement through the marketplace, while the General Staff distributes the allocated funds among participating brigades according to operational priorities and formally incorporates these allocations into the relevant procurement Lists and Volumes. Each participating unit therefore receives its own guaranteed budget ceiling in the system, visible in its DOT-Chain cabinet, and can use

19 Defense Procurement Agency DOT, "DOT-Chain Defence," accessed September 10, 2026, https://dot.gov.ua/en/page/dot-chain
20 Ministry of Defence of Ukraine, "DOT-Chain Defence: Enhancing Autonomy for Brigades and Reducing Bureaucracy," https://mod.gov.ua/en/news/dot-chain-defense-enhancing-autonomy-for-brigades-and-reducing-bureaucracy.

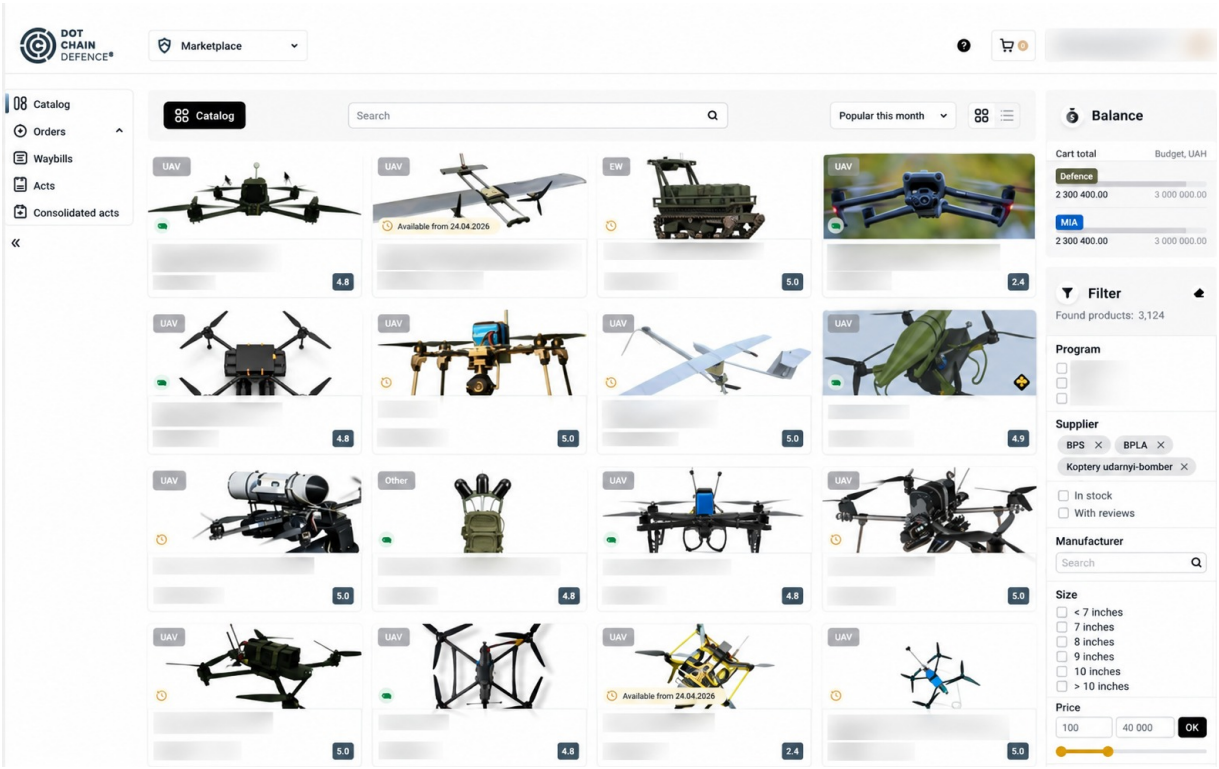
that allocation to select particular systems, munitions or other available equipment that best meets its operational requirements.

An authorised representative of the unit enters DOT-Chain Defence through personal cabinet and selects the model and quantity required from the available catalogue within the unit's budget. Thus, *the battlefield user makes the product-level choice directly.* A brigade facing heavy Russian electronic warfare can favour particular communications solutions; another may prioritise fibre-optic FPVs, reconnaissance UAVs, interceptor drones or a specific EW system according to the tactical environment it encounters.

Once the unit places the order, the Agency manages the contractual and financial process and monitors logistics. The manufacturer supplies the equipment to the designated recipient, delivery is recorded in the digital system and payment follows according to the applicable contractual mechanism. The original model relied predominantly on payment following confirmed delivery, while the Agency introduced advance financing for effective drone manufacturers in 2026 to provide working capital for faster production and fulfilment of unit orders.

The procurement data generated by the marketplace also creates a direct feedback mechanism between battlefield demand and industrial production. Repeated unit orders reveal which products soldiers actually select when given a choice, providing the state and manufacturers with a continuously updated demand signal.

**DOT-Chain Buyer Cabinet**




*DOT-Chain - Buyer's Personal Account.* ***Source:*** *https://oboronka.mezha.ua/en/yak-pracyuye-dotchain-defence-310648/*

The Buyer's personal cabinet offers multiple features (on the left-hand sight):

**Catalogue / Showcase.** The catalogue displays all products available on the DOT-Chain market. Product cards show the product image, category, availability, price and rating, while the detailed product page provides technical characteristics and other information required for selection. Product cards indicate whether an item is immediately available or expected from a specified date. Ratings and reviews provide additional feedback from military users and allow units to take previous operational experience into account when selecting between comparable products.

**Orders.** The Orders section records purchases initiated by the unit and allows the buyer to follow each order through the procurement cycle. It provides a consolidated view of what has been ordered, in what quantity, from which supplier and at what stage of fulfilment the order currently stands.

**Delivery Notes.** This section contains the delivery documentation that records the transfer of equipment from the supplier to the receiving unit and provide the documentary basis for confirming quantities and products delivered.

**Acts.** This section contains formal acceptance documents confirming that the unit has received the contracted equipment. These records link physical delivery with contractual fulfilment and provide the documentation required for subsequent administrative and payment procedures.

**Consolidated Acts.** Consolidated acts aggregate individual acceptance records into a combined document. This allows multiple deliveries or transactions to be processed together and simplifies the administrative confirmation of completed procurement.

On the right-hand side, the cabinet provides additional financial and filtering functions:

The **Balance** panel shows how much money has been allocated to the unit and how much is already committed through the shopping cart. Where a unit receives allocations under several programmes, the interface displays the balances separately.

**Programme and category filters.** The buyer can narrow the catalogue according to a *programme*, which is a specific funding stream or procurement scheme that gives a unit purchasing authority. The main programme is the *standard DOT-Chain Defence allocation*, financed from the state defence budget through the Defence Procurement Agency and distributed among participating units. Other programmes include *Army of Drones Bonus / ePoints*,[21] where verified battlefield results generate points that can be exchanged for equipment financed and contracted by the state, and targeted initiatives such as *Drone Line*, where the Ministry of Defence assigns dedicated funding to selected units. Each programme therefore appears as a separate balance in the unit's cabinet and can have its own eligible products and spending rules. Their interoperability is described in more details below.

**Availability filter.** The interface allows the buyer to display products that are currently available for ordering or to identify items with a specified future availability date.

**Review filter.** The buyer can select products that already have ratings or reviews from other military users.

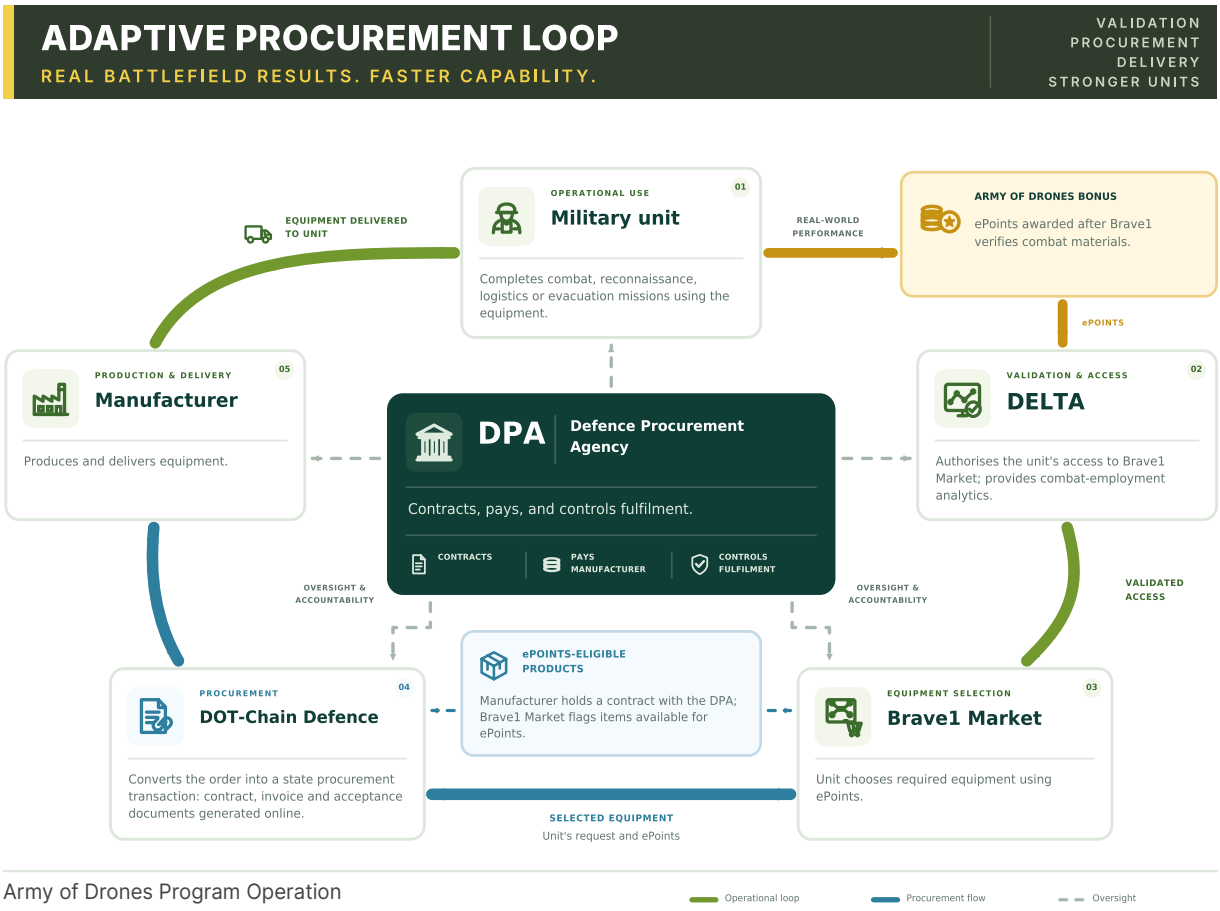
**Manufacturer / supplier filter.** Units can search the marketplace by manufacturer or supplier. This allows buyers to locate equipment from a producer they already use, or find alternative products offered by other verified manufacturers.

**Size filter.** For relevant equipment categories, particularly FPV drones, the catalogue can be filtered by technical dimensions such as frame size.

**Price filter.** The buyer can set a minimum and maximum price range or adjust it through the interface.

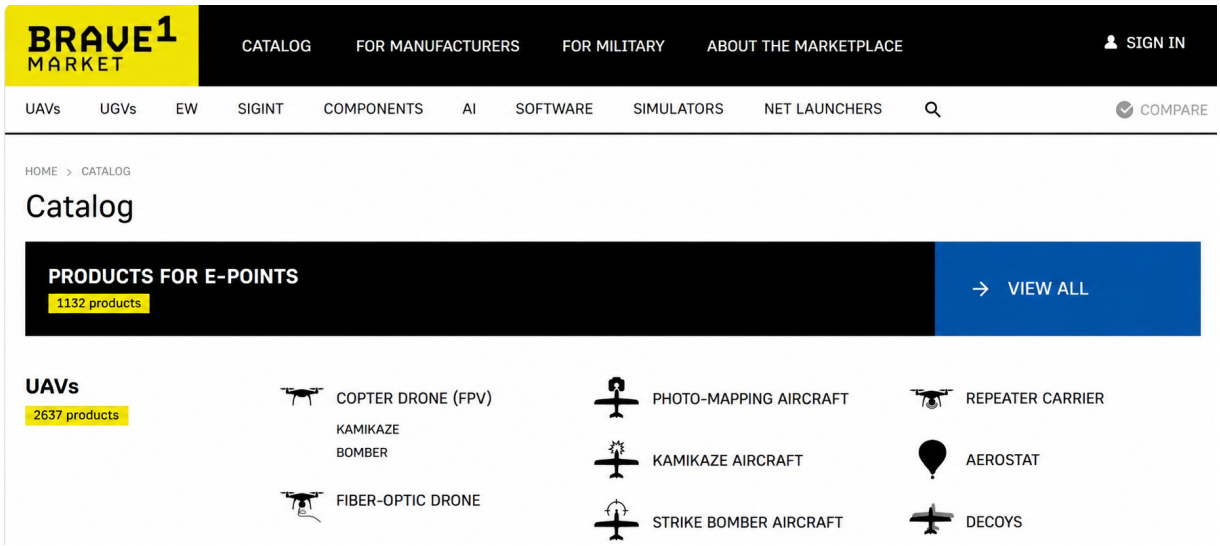
The interaction between these programmes is best illustrated by the *Army of Drones: Bonus / ePoints*, which links three separate digital systems into one procurement chain. *DELTA* records and verifies battlefield results; *Brave1 Market* converts the resulting combat points into a choice of equipment; and *DOT-Chain Defence* turns that choice into a state-funded procurement transaction.

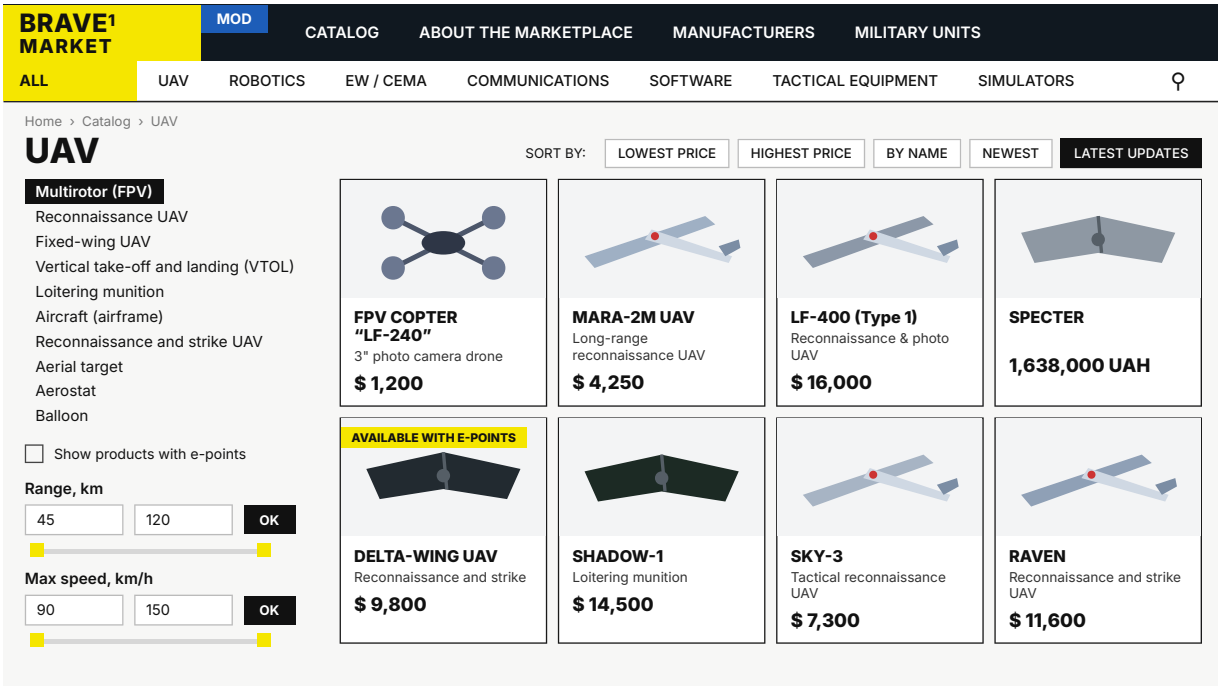
21 The humour in ePoints/"єБали." Written as two words, є бали simply means "there are points." Written together as єБали, however, it visually and phonetically resembles the past-tense plural of the vulgar verb meaning "to fuck." In military slang, the implied meaning is closer to "we fucked them up" or "we hit them hard."




Army of Drones Program Operation

A significant distinction should be made. Brave1 is a state defence-technology cluster, which supports Ukrainian defence technologies from development and testing through battlefield validation and scaling. Meanwhile, Brave1 Market, launched in April 2025 within this ecosystem, is a separate online marketplace where military units can browse defence products, compare characteristics and prices, and place orders. From August 2025, it also became the product-selection interface for the ePoints programme. While inter*operable with DOT-Chain Defence, it serves as a decentralised procurement tool, allowing military units* to purchase items directly from producers.






*Brave 1 Market - Interface and Buyer's Personal Account.* ***Source:*** *https://market-brave1.delta.mil.gov.ua/katalog/*

Under *Army of Drones: Bonus*, combat results are first recorded in DELTA. Units submit evidence of eligible strikes and missions, and after verification the corresponding points are credited to the unit. The scope has expanded over time from confirmed drone strikes to reconnaissance and UGV missions and, in 2026, to additional mission categories such as sniper operations, mobile fire groups and army aviation. These points appear in the unit's Brave1 Market account and function as purchasing power. They create a state-backed entitlement to order equipment, not cash transferred to the unit.

The unit then selects eligible products in *Brave1 Market*, including FPV drones, heavy bomber UAVs, UGVs, EW systems and other technologies. Once the order is confirmed, it is transferred into *DOT-Chain Defence*. From that point, the Defence Procurement Agency manages the procurement transaction, including contracting, financing, order tracking and delivery documentation. The manufacturer delivers the equipment directly to the military unit, while DOT-Chain records fulfillment and acceptance.

Manufacturers enter Brave1 Market through a controlled admission process. Brave1 first conducts a compliance review of the company and its ownership structure, after which approved producers receive access to a manufacturer cabinet and can submit eligible products with their technical characteristics and prices. Product codification determines which procurement channels are available. For ePoints procurement, the Defence Procurement Agency concludes a framework agreement with the manufacturer, while individual orders selected by military units in Brave1 Market are transferred through DOT-Chain Defence for contracting, payment and fulfilment.




*Brave 1 Market - Producer Registration and ePoints Onboarding Procedures.* ***Source:*** *https://market-brave1.delta.mil.gov.ua/vyrobnykam/*

By June 2026, more than 400 combat units had joined the ePoints programme integrated with Brave1 Market, ordering more than 500,000 drones, UAVs, ground robotic systems and electronic-warfare and reconnaissance assets through combat points, while the value of equipment ordered through the programme exceeded USD 735 million.[22] The resulting demand data can feed back into broader state procurement planning and manufacturers' production decisions.

*Brave International* extends this cooperation into defence innovation.[23] Approved by the Cabinet of Ministers in June 2026, it sets common rules for Ukraine's international defence-innovation programmes: joint grant funds financed 50/50 by Ukraine and each partner, joint boards to evaluate applications, and mandatory testing in Ukraine through the Test in Ukraine platform. The first programmes total more than €100 million.

They include UNITE – Brave NATO, which NATO describes as its first joint programme with Ukraine for scaling prototyped and tested technologies. Announced in November 2025, with its pilot call opening in February 2026, it is coordinated by Brave1 on the Ukrainian side, while the NATO Communications and Information Agency (NCIA) runs the first competition. The €10 million pilot is split equally: NATO's share comes from the Comprehensive Assistance Package (CAP) for Ukraine, limited to non-lethal support, and Ukraine's through Brave1. If the pilot succeeds, joint funding could rise to €50 million.

The framework also covers Brave Norway, Brave France, Brave Germany and Brave Lithuania. Brave France, agreed with France's Defence Innovation Agency in June 2026, has a €20 million joint budget (€10 million from each side) for missile technologies, unmanned systems and air defence, with grants of up to €1 million.

*Drone Line* follows a different logic. It is a targeted MoD capability-development initiative for selected unmanned-systems formations. Participating units receive dedicated state funding. At the same time, the same unit may also participate in ePoints, meaning that it can hold both a fixed programme allocation and a separate performance-based purchasing entitlement.

22 Ministry of Defence of Ukraine, "Over 500,000 Drones Ordered by the Military through Brave1 Market Using Combat Points," June 24, 2026, https://mod.gov.ua/en/news/over-500-000-drones-ordered-by-the-military-through-brave1-market-using-combat-points.
23 BRAVE1, "Brave International," https://brave1.gov.ua/en/news/brave-international-eng.

This is why the programme balance in the DOT-Chain cabinet matters, as it helps balance funding sources.

DOT-Chain Defence creates a direct link between military demand and Ukrainian producers. Units can rapidly obtain the equipment they need, while manufacturers receive immediate battlefield feedback and clearer demand signals, allowing them to improve products and scale production in response to frontline requirements. According to Former Defence Procurement Agency Director Arsen Zhumadilov, over half a year of 2026, manufacturers whose products are regularly selected through the marketplace have significantly expanded their production capacity, with competition for military orders reinforcing both responsiveness and innovation.[24]

This shortens the *invention–testing–feedback–improvement–procurement cycle* that is particularly important for drones and electronic warfare. A successful product can gain demand across combat units quickly, while purchasing decisions continuously reflect battlefield experience. The average delivery time for equipment in stock had fallen to approximately nine days by July 2026. For products ordered against ePoints through Brave1 Market MoD reported an average of seven days delivery period over the platform's first year.[25]

However, the DOT-Chain digital ecosystem is not only about weapons. Now it consists of three distinct components: DOT-Chain Food, which manages food supply; DOT-Chain Defence, a digital marketplace through which military units select weapons and other battlefield systems; and DOT-Chain Arsenal, which manages operational-level supply and tracks the movement of materiel from suppliers to military logistics structures.




*DOT-Chain Portal.*




By 2026, DOT-Chain Defence had become a large-scale procurement channel for frontline formations. The system began with 12 brigades operating in the Kharkiv, Donetsk, Zaporizhzhia and Kherson sectors, expanded to 130 brigades in late 2025, and by August 2026 covered 486 combat units across the Defence Forces. The scale of financing grew accordingly. By August 2026, cumulative procurement since the marketplace was launched in July 2025 had reached USD 1.55 billion and more than 1.2 million items.[26]

24 Ministry of Defence of Ukraine, " "Over One Million Drones Delivered to the Military through DOT-Chain Defence in One Year", August 14, 2026, https://mod.gov.ua/news/viiskovi-za-rik-otrymaly-ponad-milion-droniv-cherez-dot-chain-defence

25 Ministry of Defence of Ukraine, "Drone Contracts Totaling More than UAH 333 Billion Signed for the Military in the First Half of the Year," July 17, 2026, https://mod.gov.ua/en/news/drone-contracts-totaling-more-than-uah-333-billion-signed-for-the-military-in-the-first-half-of-the-year; Ministry of Defence of Ukraine, "Troops Have Placed $1 Billion in Orders in the First Year of Brave1 Market," August 5, 2026, https://mod.gov.ua/en/news/troops-have-placed-1-billion-in-orders-in-the-first-year-of-brave1-market.

26 Ibid.

The four mechanisms therefore allocate procurement decisions differently. *Prozorro lets the open market compete for a publicly formulated requirement; closed competition lets verified defence suppliers compete against protected tactical-technical requirements; direct contracting scales a particular product selected through the military requirement; and DOT-Chain Defence gives funded combat units the final choice among products already incorporated into the state procurement ecosystem.*

The changes to procurement procedures through new digital instruments never stop. In March 2026, the Ministry of Defence introduced a data-driven model for drone procurement that links purchasing decisions directly to verified battlefield performance.[27] The General Staff defines requirements through technical specifications, while demand is generated from operational data drawn from ePoints, DOT-Chain Defence, Brave1 Market, DELTA and Mission Control. Together, these systems capture combat effectiveness, actual unit demand and operational use, allowing procurement to favour platforms that have demonstrated reliable performance under battlefield conditions. The model also divides funding between scale and experimentation: 80 percent is directed to solutions already proven in combat, while 20 percent is reserved for new technologies undergoing operational testing.

## Military Unit Impact on Procurement Through Supply Shaping: Battlefield Testing, R&D and Production

**Military units shape Ukraine's defence procurement system through several interconnected roles.** First, they submit operational requirements, technical specifications, procurement requests and battlefield feedback through the chain of command to the Ministry of Defence (MoD) and the Defence Procurement Agency (DPA), informing centralised procurement decisions. This bottom-up input is complemented by aggregated demand data from DOT-Chain Defence and Brave1 Market, which reveal purchasing patterns, product preferences and evolving operational needs. Second, military units exercise decentralised purchasing authority through Brave1 Market and the procurement mechanisms permitted under Cabinet Resolution No. 1275, including open tenders, simplified procurement procedures, requests for quotations via Prozorro Market, direct contracts under specified legal exceptions, direct contracts below procurement thresholds, and direct contracts for weapons and military or specialised equipment. Third, units communicate directly with manufacturers, providing operational feedback that shapes product development, improvements and, ultimately, the supply available within the procurement system. Fourth, some military formations have become innovation hubs in their own right, acting as developers, engineering organisations, testing centres and, in certain cases, producers of military technology.

27 Ministry of Defence of Ukraine, "Ministry of Defence Changes Approach to Drone Procurement: Demand Will Be Generated Automatically Based on Frontline Data," *Cabinet of Ministers of Ukraine*, March 10, 2026, https://www.kmu.gov.ua/en/news/minoborony-zminiuie-pidkhid-do-zakupivel-droniv-potreba-formuvatymetsia-avtomatychno-na-osnovi-danykh-z-frontu.




*Decentralized Procurement Routes and Centralized Tools Empowering Decentralization*

The origins of this model were highly decentralised. During the first years of the full-scale invasion, technically capable personnel inside brigades repaired commercial drones, modified communications equipment, assembled FPV systems, adapted munitions and wrote software because the equipment reaching them often required further work before it could survive battlefield conditions. In stronger units, these improvised teams gradually became permanent workshops and then technology centres.

The evolution of the Third Assault Brigade's NOVA Technology Centre illustrates this process particularly well. The brigade began developing an internal R&D capability around UAVs, unmanned ground vehicles, electronic warfare, communications, counter-UAS technologies, ammunition and software in 2023.[28] Its UAV workshop subsequently performed a full repair cycle for around 70 per cent of the brigade's damaged drones. The value of the workshop extended considerably beyond repair. Commercial systems arriving at the brigade could be reflashed, fitted with remote antennas, their controllers modified

28 Viktoriia Osipova, "What It Takes to Launch R&D and Develop Technology in the 3rd Assault Brigade," *DOU*, October 31, 2024, https://dou.ua/lenta/interviews/nova-technology-centre/.

and the entire system configured for battlefield use before being issued to operators. Work that had previously required sending equipment to external specialists, sometimes with a two-week delay, moved inside the formation.

The same model subsequently expanded into UGVs. NOVA engineers purchased systems from Ukrainian manufacturers, operated them in combat, identified deficiencies, modified them and returned detailed observations to producers. The brigade also began developing some systems itself, although internally developed drones accounted for only about 5 per cent of the systems it used at the time of the 2024 interview.

Military units possess information that manufacturers struggle to reproduce on a civilian test site. Military feedback therefore affects the architecture of the product rather than simply confirming whether its nominal technical characteristics have been achieved. As one Ukrainian UAS commander explained in 2026, an engineering solution designed around a thirty-minute setup procedure may have little value at a launch site where the crew has approximately two minutes to deploy, operate and relocate.[29]

This closeness to the frontline and the sense of urgency create a very special innovative environment. Ukrainian operators interviewed in 2026 described technologies that may perform effectively at one point and require substantial modification within months. Lasar's Group offers a particularly clear example. After the unit failed to find a suitable heavy bomber on the market, it worked with a manufacturer to develop one for its specific missions. Each aircraft is tracked through its life cycle, operators report problems directly through a digital system and modifications are first installed on a small number of systems for operational testing. Successful changes then move into series production.[30]

Some formations have consequently institutionalised their relationships with industry. In 2026, the Third Army Corps launched AB3.Tech, a civil-military defence-technology platform designed to move technologies from battlefield testing and pilot deployment through joint R&D, adaptation and eventual scaling. Companies whose systems are already used by the Corps can work directly with its military specialists, while future participants are expected to use the cluster as a venue for testing and improving new systems before wider introduction.[31] The 7th Rapid Response Corps of the Air Assault Forces has likewise established a dedicated Innovation and Technology Centre intended to systematise interaction with manufacturers and reduce the amount of external testing and coordination carried individually by brigade workshops.

Some formations have moved further and established their own production capacity. Brigade workshops can produce specialised components, assemble drones, manufacture mission-specific devices, repair equipment and alter systems rapidly. The 414th Separate Unmanned Systems Brigade "Magyar's Birds" demonstrates how far unit-level production can develop. The formation maintains technical personnel responsible for FPV and experimental UAVs and publicly describes its role in testing and promoting new equipment for wider use across the Armed Forces.

According to the 414th Brigade's own reporting, a November 2024 fundraising campaign financed the production of 30,000 PTM-3 anti-tank mines, which the unit described as roughly one month of output sufficient to support 80 Defence Forces units. By September 2025, *ArmyInform* reported that the brigade was producing around 20,000 drone-dropped munitions per month for use by operators in more than 120 Defence Forces units.[32] Such cases are exceptional in scale, yet they demonstrate that a combat formation can simultaneously become a battlefield user, technical authority, producer and distributor.

This capability brings an obvious operational advantage. A unit can redesign a component as soon as Russian countermeasures appear, test it against the same threat and introduce the change without waiting for an entirely new central procurement cycle. It also creates significant institutional questions

29 Kateryna Amelina, "How Producers and the Military Are Seeking Better and Faster Feedback and Cooperation," *LB.ua*, July 27, 2026, https://lb.ua/society/2026/07/27/754292_yak_virobniki_viyskovi_shukayut.html.
30 Ibid.
31 "AB3.Tech Launches a Defence Cluster Bringing Together the Military, Manufacturers, Start-Ups and Investors around the Third Army Corps," *Oboronka / Mezha*, June 4, 2026, https://oboronka.mezha.ua/ab3-tech-zapuskaye-klaster-oboronnih-tehnologiy-311968/.
32 414th Separate Unmanned Systems Brigade "Magyar's Birds," "Projects," accessed September 12, 2026, https://magyarbirds.army/projects; *ArmyInform*, "414th Unmanned Systems Brigade 'Birds of Magyar': Hunt the Enemy Swiftly and Unnoticed, Like a Turul," September 26, 2025, https://armyinform.com.ua/2025/09/26/414-ta-brygada-bezpilotnyh-system-ptahy-madyara-polyuj-na-voroga-strimko-j-nepomitno-yak-turul/

around safety certification, ammunition accounting, quality assurance, funding, liability and responsibility for configuration control.

Until recently, intellectual-property rules created a major weakness in that pathway. A technology could originate inside a military formation and prove itself in combat while the mechanism for establishing ownership, rewarding its creators and transferring the technology legally to an industrial producer remained underdeveloped.

The 2025 legislation on military intellectual property changed this by explicitly allowing intellectual, scientific, technical, innovative and inventive activity to form part of a service member's official duties and by authorising brigade-level commanders to organise innovation and invention activity in support of combat tasks.[33] Personal non-property rights remain with the individual inventor, while the economic rights to an invention created in connection with official military duties generally belong to the state, represented by the Ministry of Defence for inventions created by Armed Forces personnel. A service member must report the invention, describe it sufficiently, identify co-authors and indicate the assignment within which it was created. The framework also recognises the inventor's entitlement to remuneration.

This matters because battlefield technology is often developed collectively. An operator identifies the problem, a military engineer proposes a modification, a programmer changes the software and a civilian manufacturer redesigns the hardware. Early documentation of authorship, technical contribution and the circumstances under which the invention was created becomes essential once the solution acquires commercial value. The 2025 framework gives a much clearer default rule for technologies created through official military duties and provides a legal basis for transferring state-owned military IP into private production.

Government Resolution No. 1310 of October 2025 created an initial licensing mechanism and explicitly defined a military unit, military command body or MoD-subordinate institution as a potential *developer* of technology. It allowed technologies developed within the military and owned by the Ministry of Defence to be licensed to manufacturers for production and scaling.[34]

The mechanism moved quickly into practical use. During the fourth quarter of 2025, the Ministry granted 30 licences for military-developed technologies in fields including electronic intelligence, counter-Shahed systems and guided weapons, with the first products manufactured under those licences subsequently entering the Defence Forces.[35]

By July 2026, eight further technologies were formally available to manufacturers, including the *Octopus interceptor drone, a guided munition, the Vitryak drone detector, and communications, control and terminal-guidance technologies for unmanned systems and UGVs.* Companies can register their interest through the closed section of the Brave1 platform, review documentation under a non-disclosure agreement and conclude a licensing agreement with the Ministry.[36] This creates a direct route from a military-developed solution to industrial production without requiring the military unit itself to build a factory.

The incentive structure has also changed. In June 2026, the government approved rules under which military inventors receive at least 25 per cent of the revenue from paid licences for their technologies.[37] The remaining licensing proceeds can support the unit in which the technology was created, further military R&D, defence innovation and legal protection of the technology.

The legal position of improvised wartime manufacturing nevertheless remains important. Draft Law No. 12026 was introduced in September 2024 specifically to amend Article 263-1 and decriminalise the

33 Verkhovna Rada of Ukraine, Law No. 4585-IX, "On Amendments to Certain Laws of Ukraine Regarding Intellectual Property Rights to Objects Created in Connection with Military Service," August 21, 2025, https://zakon.rada.gov.ua/laws/show/4585-20.
34 Cabinet of Ministers of Ukraine, Resolution No. 1310, "On the Implementation of an Experimental Project for Granting the Right to Use Technologies That May Be Applied in the Production of Defence Goods," October 13, 2025, https://zakon.rada.gov.ua/laws/show/1310-2025-%D0%BF.
35 Ministry of Defence of Ukraine, "Manufacturers Have Already Been Granted 30 Licenses to Use Ministry of Defence Technologies Developed by the Military," January 6, 2026, https://mod.gov.ua/en/news/manufacturers-have-already-been-granted-30-licenses-to-use-ministry-of-defence-technologies-developed-by-the-military.
36 Ministry of Defence of Ukraine, "Manufacturers Granted Access to Eight Technologies Developed in the Ministry of Defence and the Armed Forces," July 10, 2026, https://www.zbroya.gov.ua/news/vyrobnykam-vidkryto-dostup-do-vosmy-tekhnolohii-rozroblenykh-u-minoborony-ta-zbroinykh-sylakh.
37 "Military Inventors to Receive 25% of the Value of Licences for Their Developments – Ministry of Defence," *Interfax-Ukraine*, June 19, 2026, https://interfax.com.ua/news/general/1177956.html.

manufacture of ammunition, explosives and explosive devices during martial law when undertaken for combat missions defending Ukraine. As of September 2026, the bill remains under consideration in the parliamentary committee.[38]

Ukraine's experience increasingly resembles a distributed defence laboratory embedded throughout the fighting force. The procurement system gains most when it preserves this decentralised experimentation while connecting it to codification, licensing, industrial production and aggregated procurement. The military unit then occupies its most valuable position in the innovation cycle. It is close enough to combat to understand the problem first, technically capable enough to build and test an answer, and institutionally connected enough to turn a successful answer into a product that can reach the rest of the force.

However, Ukrainian defence intellectual property remains a challenge for international co-production. Much defence IP has yet to be inventoried and legally protected, and until April 2026 Ukraine had no unified policy governing how state-owned and publicly funded defence technologies are protected, licensed and scaled.

The Octopus interceptor provides an important precedent. In November 2025, the defence ministries of Ukraine and the UK signed a licensing agreement for the interceptor, developed within Ukraine's Armed Forces, allowing it to be produced in Britain for delivery to Ukraine. It was the first time Ukraine's Ministry of Defence had concluded such an agreement for state-owned technology, made possible by the IP department it had set up in May 2025, which secured legal protection, filed an international patent application and supported the licence.

In April 2026, the Cabinet of Ministers approved a Policy on Intellectual Property Management in the Defence-Industrial Complex (Order No. 342-r of 10 April 2026), covering the protection, use and scaling of technologies created in the state sector or procured with public funds. It is too early to assess how consistently it will be applied across joint-production projects. Thus, Ukraine and its partners should establish common minimum principles for IP sharing in joint defence production, including ownership, licensing rights, modification rights, sublicensing, export permissions and treatment of improvements developed during co-production.

For more information on specifics of unit-driven direct procurement see Annex 2.



38 Verkhovna Rada of Ukraine, Draft Law No. 12026, "On Amending Article 263-1 of the Criminal Code of Ukraine Regarding the Decriminalisation of the Manufacture, under Martial Law and for the Purpose of Performing Combat Missions Related to the Protection of Ukraine's National Sovereignty and Territorial Integrity, of Ammunition, Explosives and Explosive Devices," September 10, 2024, https://itd.rada.gov.ua/billinfo/Bills/CardByRn?conv=9&regNum=12026.

# 04 Procurement Officers as a New Military Function

The expansion of unit-level procurement required professional procurement capacity inside combat formations. In late 2024, the Ministry of Defence introduced a dedicated procurement officer function across military units, separating procurement from commanders' and other servicemembers' operational duties.[39] The officer manages the procurement cycle from requirements planning and market research to supplier identification, preparation of tender documentation, evaluation of offers, contracting and reporting. The role therefore requires considerably more than administrative competence: officers must understand defence and public-procurement legislation, Prozorro and electronic catalogues, market and price analysis, contractual procedures, tax rules, security restrictions and the specific procurement regimes applying to UAVs, EW systems, weapons and other defence materiel.[40]

Professionalisation has developed alongside the new position. Project 100, launched in 2024, provides procurement personnel with five to seven months of remote training built around weekly sessions, webinars, practical cases and individual mentoring.[41] Participants work on their unit's actual procurements rather than simulated exercises, receiving assistance with choosing the appropriate procedure, preparing documentation, conducting competition and concluding contracts. The programme is supported through NATO's Comprehensive Assistance Package within the NATO–Ukraine Strategic Defence Procurement Review and overseen with support from the UK Special Defence Adviser team. By August 2026, it had reached 707 procurement specialists from 411 military units.

An important feature of the emerging profession is the need for continuous retraining. More than twenty relevant legislative changes were introduced between the first procurement handbook in October 2024 and its updated edition in 2025, including new rules governing drones and electronic-warfare systems.[42] A brigade procurement officer therefore increasingly functions as a specialised professional connecting battlefield demand, the commercial market, procurement law and the unit's available budget.

Order No. 13580 of the Ministry of Economy, adopted on 14 September 2023, approved the professional standard for public procurement specialists, establishing formal requirements for the competencies expected from personnel performing procurement functions. An authorised procurement officer must demonstrate the required basic knowledge of public procurement by completing a free online test through the Prozorro system, administered within the framework established by the Ministry of Economy as Ukraine's authorised public procurement body. These requirements create a common professional baseline for officials responsible for procurement and complement the wartime expansion of procurement functions at military-unit level.

39 Ministry of Defence of Ukraine, "The Role of Authorized Procurement Officer Has Been Established within the Armed Forces of Ukraine, According to an Order from the Ministry of Defence," December 4, 2024, https://mod.gov.ua/en/news/the-role-of-authorized-procurement-officer-has-been-established-within-the-armed-forces-of-ukraine-according-to-an-order-from-the-ministry-of-defence.

40 Reform Support Office of the Ministry of Defence of Ukraine and Defence Procurement Reform Project, *Guidebook for Authorized Persons for the Procurement of Goods, Works and Services in Military Units of the Armed Forces of Ukraine*, 2nd updated ed. (2025), https://dzplatforma.com.ua/files/2025/10.2025/manual_for_procurement2025.pdf.

41 Defence Procurement Reform Project, "Project 100," *Army PRO*, accessed September 11, 2026, https://www.army-pro.com/education/proyekt-100/.

42 Defence Procurement Reform Project, "More Than Twenty Legislative Changes in a Year: Guidebook for Military Procurement Officers Updated," *Army PRO*, October 14, 2025, https://www.army-pro.com/za-rik-u-zakonodavstvo-vnesly-desyatky-zmin-onovleno-posibnyk-dlya-vijskovyh-zakupivelnykiv/.

### Procurement staff functional responsibilities

Procurement planning: identify requirements, define volumes, and prepare annual procurement plans.

Market analysis: conduct preliminary market consultations and assess available suppliers, products and prices.

Procedure selection: determine the appropriate procurement mechanism under public or defence procurement rules.

Tendering and contracting: organise procurement procedures, evaluate bids, select suppliers and ensure contracts are concluded.

Framework agreements: prepare and administer framework agreements where relevant.

Documentation and disclosure: prepare, approve, retain and publish the procurement documentation required by law, including reports on contracts concluded outside the electronic procurement system.

Compliance and equal treatment: ensure transparent procedures, equal conditions for suppliers and objective selection of winners.

Oversight and appeals: provide documents to review bodies and cooperate with institutions responsible for procurement control and audit.

Wartime defence procurement: conduct public and defence procurement under the special martial-law procedures established by Cabinet Resolutions No. 1178 and No. 1275, where the military unit has been delegated procurement authority.

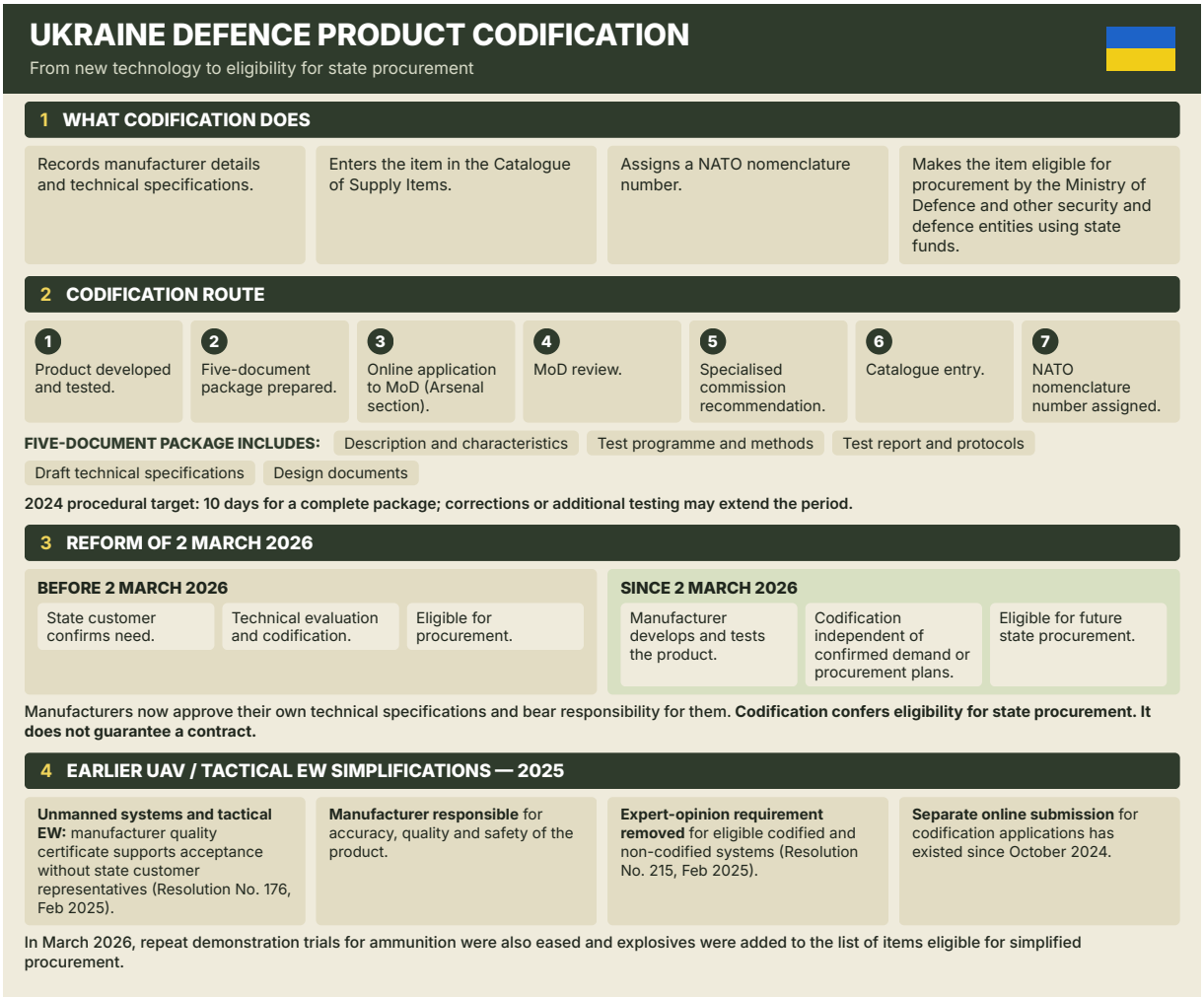
Contract standardisation: develop standard contract templates for recurring procurement categories.

Command support: perform additional procurement tasks assigned by the military-unit commander within the applicable legal framework.



# 05 Adjusting Codification Procedures: Digitalisation and Accelerated Pathways

The process of codification — the formal conversion of a new product into an item of supply eligible for use in the Defence Forces — has also been substantially accelerated and digitized during the war. Ukraine applies the NATO Codification System and has held Tier 2 status since 2019, giving it full participation in the system, including the right to assign NATO Stock Numbers (NSNs), exchange codification data with other participating countries and transmit national records to the NATO Master Catalogue of References for Logistics (NMCRL). Ukrainian procedures therefore follow the principles of NATO's ACodP-1 and relevant STANAGs, including STANAG 3150 on classification, STANAG 3151 on item identification and STANAG 4177 on codification data. For Ukrainian-coded products the national code is 61.




*Codification Specifics*

The wartime procedure is designed to move a new product from the manufacturer into this system rapidly. The Ministry of Defence's *Window for Weapons and Military Equipment Manufacturers* is the central digital entry point for preparing and submitting new weapons and military-equipment products for

codification. The service combines procedural guidance, document templates, category-specific requirements and electronic submission in one interface. It covers major equipment categories including UAVs, unmanned ground systems, maritime unmanned systems, tactical-level EW and ELINT equipment, ammunition, artillery systems, armoured and automotive equipment, close-combat weapons and rear-support equipment. It also links manufacturers to the *Electronic Military Standardisation Database*, which provides access to relevant Ukrainian and NATO standards, and to additional state services supporting product development and testing.

Manufacturers can reach the Window through *four entry points*, all leading into the same Ministry of Defence codification system.[43]

- The most direct route is *mil-tech.mod.gov.ua*, where a company can select its product category, review the applicable requirements and submit an application.
- A second route is through the MoD website, under *Innovative Projects → Arsenal*. Arsenal therefore functions as the MoD website gateway to the specialised manufacturer service.[44]
- The third route is through *BRAVE1,* Ukraine's state defence-technology cluster. This integration is particularly relevant to companies already using BRAVE1 for development, grants, testing or battlefield validation because codification becomes another stage within the same defence-innovation ecosystem.
- The fourth route is through *ZBROYA*, the government portal that brings together state services and opportunities for Ukrainian weapons manufacturers.

The Ministry integrated the Window into the BRAVE1 and ZBROYA ecosystems in September 2025 in order to give manufacturers several routes into the same administrative procedure. The Window provides a more structured route through the codification process. A manufacturer first identifies the regulatory framework applicable to its product category. Under the current system, unmanned systems and tactical-level EW systems follow the wartime procedures established under Cabinet Resolution No. 1275, ammunition follows the dedicated procedure under Cabinet Resolution No. 902, while other categories such as armoured vehicles, automotive equipment, small arms, engineering equipment and training systems follow the relevant general procedure. The manufacturer then prepares the required documentation using the templates available on the portal and conducts testing in accordance with the applicable rules. Test results must be formalised in a test act and supporting protocols.

Once this preparation is complete, the manufacturer completes the electronic form and uploads the required documents. The package is transmitted to the Main Directorate for Support of the Lifecycle of Weapons and Military Equipment. The Directorate reviews the documentation and test results, while the manufacturer receives email notifications as the application progresses and corrects any deficiencies identified during review. Once the documentation has been processed, a temporary commission assesses the submission and test evidence and makes a recommendation on codification.

Following a positive decision, the product receives a NATO Stock Number, becomes an Item of Supply and is entered into the Catalogue of Supply Items. The manufacturer then receives an extract from the Catalogue confirming its codified status. With a complete documentation package and the required characteristics confirmed through testing, the portal states that the NSN can be assigned within up to ten days; preparation of the documentation and testing precede this period.

The Window also connects the codification procedure directly with product testing. A manufacturer requiring access to a military testing facility can apply through the linked *Iron Range* service, a free state testing programme available at different stages of product development. Iron Range provides access to military testing grounds, specialist support, military expertise and assistance in developing testing methodologies. After an application is submitted, it is initially reviewed by the relevant General Staff structure; applications requiring corrections are returned to the manufacturer, followed by the required security review.

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43 Ministry of Defence of Ukraine, "Window for Weapons and Military Equipment Manufacturers," accessed September 11, 2026, https://mil-tech.mod.gov.ua/.

44 Arsenal, the Ministry of Defence website's innovation section — not to be confused with DOT-Chain Arsenal, the operational supply module within DOT-Chain overarching digital supply ecosystem described above

The State Research Institute for Testing and Certification of Weapons and Military Equipment then assesses the testing requirements and organises the conditions necessary for the trial. This creates a practical route from *product development → state-supported testing → documented test results → codification application → NSN and Item-of-Supply status*, reducing the number of separate administrative interfaces that a new defence manufacturer has to navigate.

The March 2026 reform shortened the route from technological development to procurement further by separating codification from procurement planning. Under the previous sequence, the technical assessment of a new product was tied to confirmation that a state customer already had an identified requirement. The revised system allows a manufacturer to codify a product independently of an existing procurement plan or confirmed urgent requirement. A promising product can therefore complete the technical and administrative entry process before a specific procurement decision is made, creating a pool of procurement-ready systems from which the Defence Forces can draw as operational requirements emerge.

The reform also transferred greater responsibility to manufacturers. Technical Specifications are now approved by the producer and registered without prior approval by the state customer, with the manufacturer responsible for their content. For ammunition, additional demonstration testing can be omitted where the state customer participated in the preceding tests. For domestically produced unmanned systems and tactical-level electronic-warfare systems, acceptance under the simplified procurement regime may rely on a manufacturer-issued quality certificate for each unit, confirming the declared parameters, safety, quality and technical condition on the basis of the manufacturer's own testing. Responsibility for the accuracy of this certificate rests with the contractor.

Codification also accommodates the rapid modification of products already in service.[45] A manufacturer does not need to repeat the full codification procedure when changes remain within the existing product configuration. For example, a UAV may receive an improved camera or increased range while retaining its existing NSN, provided the new characteristics are confirmed through the required type testing and reflected in the technical documentation. Components such as motors, cameras or batteries can also be substituted without changing the Technical Specifications where those specifications define performance characteristics rather than a particular model, provided the replacement passes incoming conformity control.

More substantial changes that alter the product's design, configuration or intended purpose—for example, a different airframe, additional motors or a new operational role—create a new item of supply and require a separate codification procedure. This approach allows manufacturers to improve systems during production while preserving a stable logistics identity for incremental upgrades.

These changes are particularly important for rapidly evolving systems such as FPV drones, interceptors, EW equipment and unmanned ground systems, where a product can change materially within several technological cycles during the time required for a conventional acquisition process.

During the first eight months of 2026, the Ministry of Defence codified and admitted 1,526 new weapons and military-equipment products, almost 91 per cent of them Ukrainian-made, compared with 983 during the corresponding period of 2025.[46]

45 Ministry of Defence of Ukraine, "Is Recodification Required if the Characteristics of a Weapons and Military Equipment Product Change?," December 31, 2025, https://mil-tech.mod.gov.ua/knowledge-base/benefits-of-codification-for-manufacturers

46 Ministry of Defence of Ukraine, "Ministry of Defence Codified More Than 1,500 New Weapons and Military Equipment Models Since the Start of 2026," *Cabinet of Ministers of Ukraine*, September 3, 2026, https://www.kmu.gov.ua/news/minoborony-kodyfikuvalo-ponad-1-500-novykh-zrazkiv-ovt-z-pochatku-2026-roku

# 06 Remaining Problems — From Procurement Speed to System Coherence

Ukraine has substantially shortened the route from battlefield demand to contract, but the next stage of reform concerns what is procured, how different systems fit together, and what happens after delivery.

The first problem is the growing technological *"zoo."* In April 2025, the Ministry of Defence already reported that the Armed Forces operated dozens of FPV systems with broadly similar tactical and technical characteristics but different platforms, payloads, software and components. Each additional configuration creates requirements for operator training, maintenance expertise, batteries, antennas, ground stations, software, spare parts and integration with combat payloads and command systems.[47] Interoperability problems are one consequence of Ukraine's rapid proliferation of unmanned technologies. This creates a case for modular standardisation rather than product standardisation. The MoD has already made maximum possible unification of FPV systems and technical standards for components, payloads and software an explicit priority.

A second problem is the gap between declared technical characteristics and actual battlefield performance. Codification establishes that a product has specified characteristics and creates a legal route into military procurement, but contemporary drone effectiveness can change considerably with the operating environment. EW conditions, frequencies, antennas, firmware, payload, geography, weather, operator practices and enemy countermeasures can determine whether an otherwise compliant system performs effectively. The MoD itself acknowledged this problem in March 2026 when it shifted UAV requirement formation toward data from ePoints, DOT-Chain Defence, Brave1 Market, DELTA and Mission Control. The reform effectively introduces a distinction between technical compliance and combat effectiveness.

Specification quality remains equally important. A September 2026 dispute over a DPA procurement of fibre-optic UAVs illustrates the difficulty. 'General Cherry' producer argued that several operational parameters in the documentation, including maximum and working altitude, cruising speed and take-off weight, were left undefined, while other parameters were specified sufficiently narrowly to restrict the range of eligible products.[48] The specific allegations remain contested, but the broader procurement need to close gaps for tender manipulation is valid.

A related challenge is quality at scale. Rapid market expansion brings producers with very different levels of manufacturing maturity, process control and quality management into the supply system. Ukraine has responded by moving toward NATO AQAP-based state quality assurance built around risk assessment, supplier quality systems, production monitoring and manufacturer responsibility. This creates the basis for a more differentiated model. High-value and safety-critical systems justify intensive assurance, while rapidly changing low-cost technologies can rely more heavily on controlled batches, battlefield performance monitoring and continuous supplier evaluation.[49]

Finally, procurement increasingly has to treat technical support as part of the product. A UAV delivered to a brigade may require configuration, frequency changes, firmware updates, operator training, repair, component replacement and subsequent adaptation. General Cherry provides a useful example. According

47 Ministry of Defence of Ukraine, "Valerii Churkin: The Ministry of Defence Is Guiding Weapons Manufacturers toward Unified Standards in Unmanned Systems Production," April 4, 2025, https://mod.gov.ua/en/news/valerii-churkin-the-ministry-of-defence-is-guiding-weapons-manufacturers-toward-unified-standards-in-unmanned-systems-production.

48 Stanislav Hryshyn, "What Is Wrong with the Procurement of Fibre-Optic Drones," Militarnyi, September 3, 2026, https://militarnyi.com/uk/blogs/shho-ne-tak-z-zakupivleyu-optovol-droniv/.

49 Ministry of Defence of Ukraine, "MoD Transitions to a Modern Quality Assurance Model," September 10, 2025, https://mod.gov.ua/en/news/mo-d-transitions-to-a-modern-quality-assurance-model

to co-founder Stanislav Hryshyn, approximately 93 per cent of technical-support requests received by the company could be resolved through configuration or settings; the company consequently developed mobile teams that work with units and feed operational problems directly back into production and R&D.[50] A reported 'problem with the drone' is itself a source of information and an impetus to innovate

The procurement system is beginning to recognise this lifecycle requirement. MoD discussions with manufacturers have explicitly considered contracts covering training, technical support, maintenance and upgrades together with the equipment itself.[51] For technologically complex systems, supplier evaluation can therefore incorporate service capacity alongside price and product characteristics. For example, availability of frontline or regional service teams, response time, spare-parts provision, repair capacity, software and firmware support, training and a structured mechanism for feeding field experience back into product development. In an acquisition system built around rapid iteration, delivery completes only the first part of the procurement cycle; battlefield use, support, performance data and modification determine whether the capability remains effective.

50 Militarnyi, "Drone Feedback, Procurement Systems, and Export Prospects — Stanislav Hryshyn, General Cherry," February 3, 2026, https://www.youtube.com/watch?v=z0ePJmtKsFM

51 Ministry of Defence of Ukraine, "Glib Kanievskyi: The Ministry of Defence Has Allocated One-Third of the Defense Budget to Technological Weapons," April 21, 2025, https://mod.gov.ua/en/news/glib-kanievskyi-the-ministry-of-defence-has-allocated-one-third-of-the-defense-budget-to-technological-weapons.

# 07 Future of procurement

While many in the West still believe that NATO and Russia would fight a different war, should direct conflict occur, the Warfare 5.0 will not be waiting for unmodernized doctrines and mentality of the past for the battlefield to obey.

Jet-powered systems such as Russia's Geran-5 are already blurring the distinction between drones and cruise missiles. At sea, Ukraine's Magura has evolved from an explosive unmanned surface vessel into a modular weapons platform. Magura V5 was used to shoot down Russian Su-30 fighters in May 2025.[52] On land, drones increasingly perform reconnaissance, strike, mining, logistics and casualty evacuation, while unmanned ground vehicles are moving into roles previously performed by soldiers. These systems are simultaneously extending the battlefield's transparency, strike range and tempo.

Recent exercises have repeatedly exposed this adaptation gap. During Hedgehog 2025 in Estonia, a team of roughly ten Ukrainian drone specialists acting with the opposing force reportedly mock-destroyed 17 armoured vehicles and conducted another 30 strikes in roughly half a day, with one participant describing two NATO battalions as effectively eliminated in a day.[53] During Aurora 26 in Sweden, only six Ukrainian operators were deployed at a time; in one mechanised scenario, they detected NATO armour before it reached the simulated line of contact and reported more than 30 vehicle kills, with the scenario reconsidered after roughly half of the attacking vehicles had been lost.[54] In Combined Resolve 2026 in Germany, Ukraine's 412th Separate Unmanned Systems Brigade 'Nemesis' rapidly located and struck US armoured formations; US vehicles were reportedly "respawned" to keep the exercise running, while the American force subsequently adapted its dispersion, camouflage, movement and electronic-warfare tactics.[55]

This makes a decentralised procurement a structural requirement rather than a wartime exception. Units require purchasing autonomy primarily for rapidly obsolescent and regenerative capabilities such as UAS, EW, tactical systems and selected personal equipment, while centralised procurement remains more efficient for heavy platforms, aircraft, air defence and ammunition. Effective decentralisation therefore requires efficient digital compliance and reporting, and professional procurement personnel at unit level. Properly institutionalised, it gives commanders the capacity to adapt equipment as quickly as the battlefield changes and embeds technological adaptation into the permanent procurement system.

The success of learning lessons from Ukraine as well as sharing international best practices will be measured in human lives. Understanding the dire need for modernization of procurement, in April 2026, Ukraine and five partner countries established the *Coalition for Resilient Procurement and Unified Support (CORPUS),* creating a permanent framework for cooperation between defence procurement agencies. The initiative brings Ukraine's Defence Procurement Agency together with counterparts from Finland, Italy, Norway, Sweden and the United Kingdom to coordinate procurement practices, strengthen supply-chain resilience and exchange operational solutions. Cooperation covers market engagement, digital procurement tools, supply organisation, compliance and anti-corruption practices. For Ukraine, CORPUS also provides a mechanism for institutionalising and exporting procurement solutions developed under wartime pressure, including the DOT-Chain digital ecosystem, while integrating Ukrainian procurement agencies more closely with those of European partners. The coalition therefore extends procurement

52 Thomas Newdick and Howard Altman, "Two Russian Su-30 Flankers Downed by AIM-9s Fired from Drone Boats: Ukrainian Intel Boss," The War Zone, May 4, 2025, https://www.twz.com/news-features/two-russian-su-30-flankers-downed-by-aim-9s-fired-from-drone-boats-ukrainian-intel-boss.

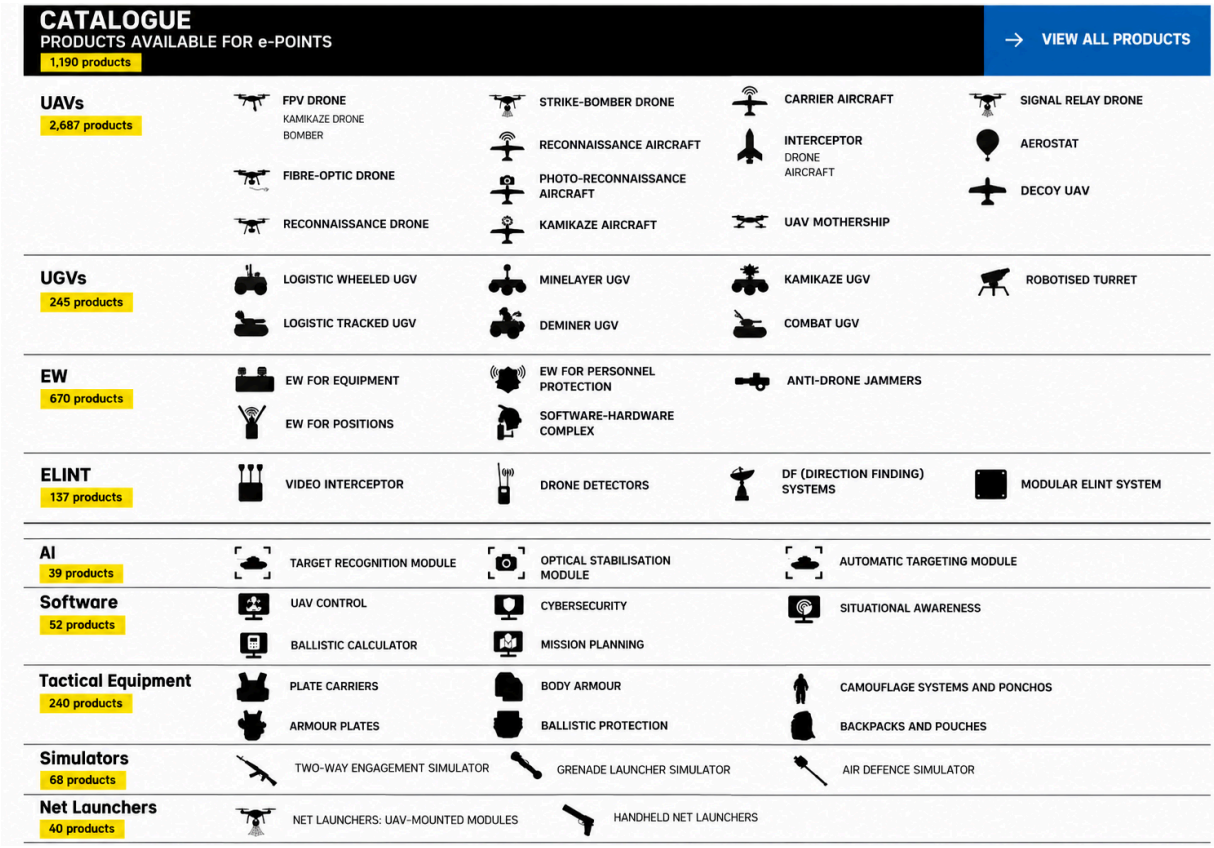
53 Jillian Kay Melchior, "NATO Has Seen the Future and Is Unprepared," *The Wall Street Journal*, February 12, 2026, https://www.wsj.com/opinion/nato-has-seen-the-future-and-is-unprepared-887eaf0f.

54 Francis Farrell, "Meet the Ukrainian Drone Team That Demolished NATO Forces in War Game in Sweden," *The Kyiv Independent*, June 17, 2026, https://kyivindependent.com/they-need-to-practice-how-a-ukrainian-drone-team-defeated-nato-forces-in-swedish-war-game/.

55 Alistair MacDonald, Lara Seligman, and Daniel Michaels, "U.S. and Ukrainian Forces Went Head-to-Head in an Exercise. Ukraine's Drones Won," *The Wall Street Journal*, August 13, 2026, https://www.wsj.com/politics/national-security/u-s-and-ukrainian-forces-went-head-to-head-in-an-exercise-ukraines-drones-won-cc3663d5.

reform beyond the national system towards a network capable of sharing data, practices and supply-chain solutions across participating states.

The changes are already taking place. In the United States, the Pentagon is developing a drone marketplace that would allow brigade- and regiment-level commanders to order approved UAS directly, alongside existing local micro-purchasing through Government Purchase Cards. In Europe, major weapons procurement remains centralised, while urgent-needs mechanisms increasingly shorten acquisition cycles for drones, EW and other fast-evolving capabilities.



# 08 Conclusions and Recommendations

## "If Europe were to prepare for the Second World War with today's tenders and procedures, then D-Day would happen not in 1944 but in 1951,"

*Leo Litra, senior policy fellow at the European Council on Foreign Relations (ECFR)*[56]

Ukraine's procurement transformation began with institutional failure under extreme pressure. In 2022 volunteers bought what the state could not deliver quickly enough. Soldiers modified what they received. Start-ups built products in direct contact with combat units. Local governments and charities financed equipment. International partners transferred weapons from their own stocks. Four years later, these parallel improvisations are becoming a harmonized and digitized architecture.

Ukraine now has a unified central procurement agency, extensive decentralised purchasing by military units, digital weapons marketplaces, battlefield-performance data, an expanding domestic defence-technology industry and mechanisms through which international partners finance Ukrainian production.

Contemporary warfare is compressing technological cycles. A specification can become outdated before a tender is completed. A successful drone can become ineffective after an enemy changes electronic warfare tactics. A new solution can move from prototype to mass production within months.

Procurement can therefore no longer be understood primarily as the administrative act of purchasing equipment. It is becoming part of the combat innovation system. The strategic objective should be to shorten the distance between a change on the battlefield and the next production decision.

The future procurement models should consequently remain deliberately multi-layered. Central procurement should provide scale, strategic planning and accountability. Decentralised procurement should preserve speed and adaptation. Digital systems should connect the two. Battlefield data should continuously update demand. Manufacturers should become participants in the operational feedback loop rather than contractors who disappear after delivery.

While high-end systems will remain the domain of long-term, state-coordinated and capital-intensive procurement programmes usually performed by sector giants, the other side of new-generation warfare will require governments to open a larger share of the defence market to smaller companies capable of developing, adapting and scaling precise, lower-cost technologies at the speed of technological change.

Only in such a way a defence procurement system will be able to deliver what is still relevant when it reaches the battlefield — and be capable of changing again when the battlefield changes.

Some steps that could ensure this include:

1. **Combine decentralisation with common technical architecture.** Ministries of defence should set interoperability requirements, interfaces, cybersecurity rules and essential technical standards while preserving competition between different designs and manufacturers.
2. **Make operational data the centre of technology procurement.** Procurement systems should connect battlefield requirements, orders, delivery, system performance and loss rates so that purchasing decisions reflect operational evidence rather than static planning assumptions. For rapidly changing technologies, buyers should define the required mission effect, operating environment and interoperability requirements while allowing suppliers to adapt components and technical solutions.

56 Samuel Dempsey, "The Country That Keeps Beating NATO," The European Correspondent, September 17, 2026, https://europeancorrespondent.com/en/r/the-country-that-keeps-beating-nato.

3. **Create structured access to operational feedback.** Defence companies should receive anonymised and security-screened performance data so that product improvement depends on institutional feedback rather than personal links with individual units.
4. **Delegate procurement authority for rapidly changing capabilities.** Selected purchasing powers should move closer to brigade and, where appropriate, lower tactical levels. Delegation should be accompanied by professional procurement personnel trained in market analysis, contracting, supplier assessment, technical requirements, procurement law and digital systems.
5. **Develop digital marketplaces for tactical technologies.** Pre-qualified catalogues can allow units to select systems according to mission requirements while central authorities retain control over supplier eligibility, pricing, compliance and expenditure.
6. **Open procurement ecosystems to smaller technology companies.** High-end platforms will remain the domain of large, state-coordinated programmes, while lower-cost, rapidly evolving technologies require procurement channels that allow smaller firms to enter, iterate and scale quickly.
7. **Introduce accelerated codification pathways.** Rapidly evolving systems should be able to enter procurement and limited operational use under provisional or temporary codification while full testing and codification continue in parallel.
8. **Set a minimum transparency standard for accelerated procurement.** Faster procedures should retain independent review and a digital audit trail recording who authorised each decision, when it was taken, and the value and scope of the procurement.
9. **Establish common IP rules for joint defence production.** Ukraine and its partners should agree minimum principles for ownership, licensing, modification, sublicensing, export rights and the treatment of improvements developed through co-production.
10. **Institutionalise learning from wartime procurement.** Defence institutions should create permanent mechanisms for translating Ukrainian experience into practice through dedicated courses, procurement scenarios in exercises and war games, structured placements and regular analytical reviews.

## Specific recommendations for the UK

> As this paper was developed in response to a UK request, these general lessons can be translated into a more concrete set of measures for the British defence procurement system. The aim is not to reproduce Ukrainian practice wholesale, but to make Britain's existing structures faster, more adaptable and better connected to operational evidence.

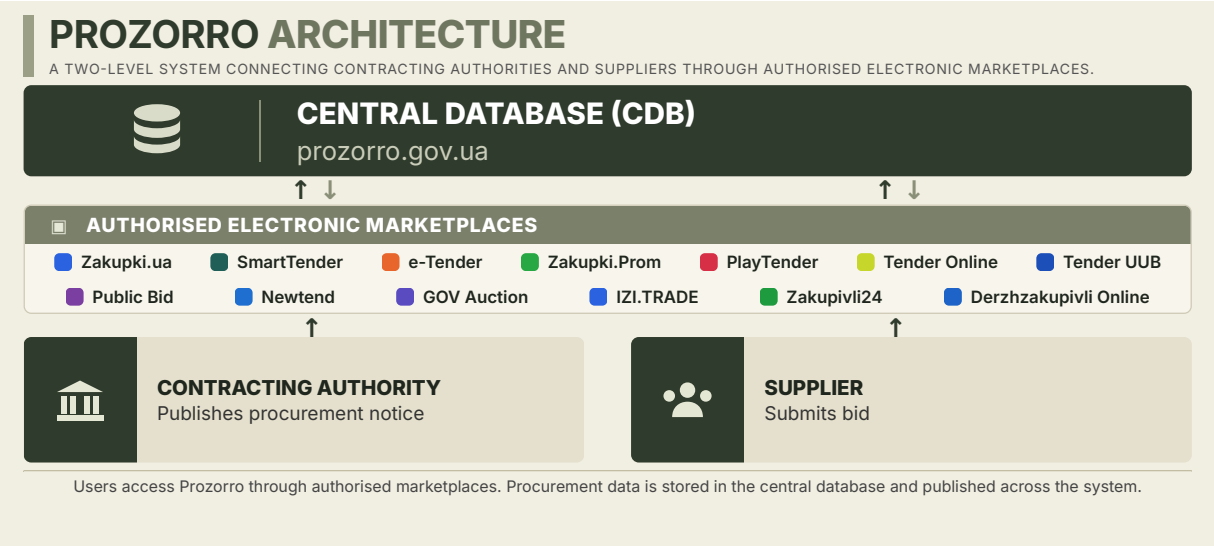
1. **Build the informed buyer.** The Army should establish a procurement officer role at brigade level, separate from command duties, supported by a technical trade able to rebuild, reconfigure and modify rapidly evolving systems. Training could draw on Project 100, whose curriculum the UK already helps to oversee.
2. **Build the competitive supply side.** DE&S should qualify suppliers into open category-based pools and compete individual orders within those pools while allowing continuous entry by new firms. On accelerated tracks, funding should be divided between proven systems and technologies under operational test.
3. **Open a centrally contracted, unit-chosen marketplace.** Within the SDR's rapid commercial exploitation segment, DE&S should hold framework contracts with pre-qualified suppliers and give brigades and uncrewed-systems formations ring-fenced allocations for small UAS, counter-UAS, tactical EW, ground robotics and payloads.
4. **Create a UK accelerated codification track.** Selected consumable technologies should be allowed to enter procurement and limited operational use while full testing and codification continue in parallel.

5. Set a decision clock and record delay. Proposals below ministerial level should not remain at any single stage for more than 30 days. Delays should trigger escalation and be recorded against the responsible office. Accelerated procurement should retain a complete digital audit trail.
6. Specify the conditions, buy the support. Requirements for uncrewed and counter-uncrewed systems should describe the operational environment and threats a system must survive rather than prescribe a fixed technical solution. Tender evaluation should include support, repair, training, spares and upgrade capacity alongside price. The MoD should also define modular open architectures for small UAS and tactical EW.
7. Learn from the front, not only the capital. UK technical and procurement personnel should undertake structured rotations with Ukrainian units, corps technology centres and repair laboratories. Lessons should feed directly into UK courses, procurement exercises, war games and analytical reviews, while CORPUS can support institutional exchange on marketplace design, compliance and, where possible, operational data.



# A1 How Prozorro Works

**Prozorro is Ukraine's central electronic public procurement system, not a single procurement website.**[57] It is built as a two-level architecture consisting of a central database and a network of authorised commercial electronic marketplaces. Contracting authorities and suppliers work through one of these marketplaces, while procurement information is transmitted automatically to the central Prozorro database and published simultaneously on **prozorro.gov.ua** and across all authorised marketplaces. This architecture separates the state-owned core database from the user-facing services through which procurements are conducted.




*Prozorro Architecture*

## Access through electronic marketplaces

An **electronic marketplace** is the point of access to Prozorro. A contracting authority registers on an authorised marketplace and receives a personal account through which its procurement officer publishes procurement notices and documentation, responds to suppliers' questions and requests, receives bids, publishes qualification decisions and uploads contracts and subsequent procurement information. Suppliers similarly use their chosen marketplace to search for procurements, submit documents and bids, participate in auctions and communicate with the contracting authority.

The marketplaces provide the same access to the central system and its core functions. Their differences lie mainly in interface, customer support and additional commercial services. A supplier registered on one marketplace can participate in a procurement announced through another because all authorised marketplaces exchange information through the same central database. The electronic auction is also common to the whole system. A contracting authority may choose a different marketplace for a future procurement, although a procedure already launched must be completed through the marketplace on which it began.

## Standard procurement cycle

For a competitive procurement, Prozorro normally connects the main stages of the purchasing process within one digital record:

57 Ukrainian Universal Exchange, "Prozorro Public Procurement Platform," accessed October 1, 2026, https://tender.uub.com.ua/

1. **Planning and announcement.** The contracting authority identifies the requirement, includes the procurement in its planning documentation and publishes the announcement, expected value, technical requirements, qualification criteria, draft contract and other required information.
2. **Clarification.** Potential suppliers can submit questions or requests through the system. Responses and amendments become visible to all participants, reducing the possibility of providing privileged information to an individual bidder.
3. **Submission of bids.** Suppliers submit their offers electronically through their marketplaces. Until disclosure, commercially sensitive bid information is protected according to the rules of the procedure.
4. **Electronic competition.** Where the procedure includes an auction, qualified bidders compete through the common Prozorro auction module. The standard electronic auction allows participants to reduce their prices over three rounds.
5. **Evaluation and qualification.** After bidding closes, the contracting authority examines the relevant proposal and supporting documentation against the published requirements. Its decisions, including rejection or selection of the winning bidder, are recorded in the system.
6. **Contracting and publication.** The contracting authority signs the procurement contract with the selected supplier and publishes the contract and the information required by law. The procurement therefore remains traceable from initial planning to the final contractual result.

This creates a single digital procurement history rather than separate paper processes for advertisement, bidding, evaluation and contracting.

## Competition does not always require an auction

Prozorro supports several procurement mechanisms. The appropriate route depends on the subject, value and legal regime of the procurement.

The principal wartime competitive procedure is **open tendering with special conditions** (*open tenders with peculiarities*) under Cabinet Resolution No. 1178. Introduced after the full-scale invasion. Among other changes, a tender may proceed with a single submitted bid rather than requiring several participants.

Prozorro also contains **Prozorro Market**, an electronic catalogue for relatively standardised goods. Suppliers are pre-qualified by central purchasing organisations. A contracting authority can therefore select the required product or request price offers without repeating full supplier qualification for every purchase. The system compares offers and determines the winning supplier according to the applicable catalogue procedure.

Other mechanisms available within or connected to the system include framework agreements, simplified procedures and publication of contracts concluded without a competitive electronic procedure where legislation permits direct contracting.

## Transparency and control

Information submitted through a marketplace enters the central database and can be viewed through the Prozorro portal and other authorised marketplaces. Prozorro is also based on open data, allowing procurement information to be reused through its API and external analytical tools. Contracting authorities can examine previous tenders and contracts when conducting market research and estimating prices, while suppliers can see future and current demand across the public sector.

Suppliers can use the system to challenge requirements and contracting-authority decisions. Where the statutory appeals mechanism applies, complaints can be submitted to the Antimonopoly Committee of Ukraine. Procurement records can also be examined by state control bodies, civil-society organisations, journalists and market participants.

# A2 How Unit-Level Procurement Works

While the unit-driven procurement principles and mechanisms have been covered above, there are specifics that should be distinguished separately.

A military unit's power to buy is delegated, not inherent. The Defence Procurement Law and Resolution No. 1275 confer procurement powers on state customers in the defence sphere and on their services. They also cover military units and institutions that a state customer has authorised, by decision, to conduct procurement and sign state contracts. The Ministry of Defence made that decision for its own system in Order No. 111/nm of 1 March 2023. The order authorised every unit, institution and establishment included in the MoD's network of budget fund managers, plus six units named by number, to carry out defence procurement and sign state contracts for the duration of martial law.

Procurement authority therefore follows budgetary status. The units that can buy are those that already hold public money in their own right, and holding public money means holding a treasury account. Funds move down a chain of treasury accounts. In the Air Assault Forces, for example, the MoD transfers money monthly to the branch command's treasury accounts. The command then transfers it to units' accounts in regional treasury offices. Units may not bypass this system: they are prohibited from opening accounts with any bank other than the treasury. Every payment a unit makes, including payment under a procurement contract, passes through treasury control. The treasury checks each payment document against its designated purpose and the funds available. Where it finds a violation, it suspends the unit's payments and notifies law enforcement.

Units outside the network have neither accounts nor procurement authority. A unit not included in the network is attached by directive to a third-level fund-manager unit for financial support. Its commander must submit the paperwork on time to the fund manager it is attached to. In practice these are typically battalions and smaller formations without their own finance service. They depend on a parent unit, usually the brigade, to buy on their behalf and to pay. The dividing line is administrative capacity rather than combat role. A unit needs a finance office, an accountant and the staff to run a budget before it can be entrusted with one.

Within an authorised unit, the commander assigns the work to a designated procurement officer or to a collegial body of at least three people.

This architecture explains how the decentralised funding of recent years works. When the MoD allocated money directly to brigades, starting with UAH 1.1 billion in December 2024 and then a monthly UAH 2.5 billion pool for drones from January 2025, it could do so only because brigades are fund managers with treasury accounts and delegated procurement authority. Below brigade level, the same money reaches the front through the brigade's own contracts rather than through the subordinate unit.

Military units can also receive resources through the **special fund**, including legally permitted grants, charitable contributions, donations and certain earmarked transfers. These receipts are accounted for separately. The Treasury opens special registration accounts for such funds, and expenditure is limited to the amount actually received and incorporated into the approved special-fund estimate. Since 2025, legislation also allows certain own-source revenues to be handled through current accounts in state-owned banks in specified cases, although Treasury accounting and budget-control requirements continue to apply.

Thus, unit-level procurement autonomy in Ukraine operates along a spectrum.

**Marketplace model.** In the marketplace model, two parallel procurement channels give combat units greater autonomy. Under centralised procurement, units select equipment and quantities through DOT-Chain Defence, while the Defence Procurement Agency (DPA) contracts suppliers, manages payments and oversees delivery. This mechanism also serves specialised initiatives, including Drone Line, and

provides targeted supplies alongside standard centralised allocations. Under decentralised procurement, units use Brave1 Market to select equipment and purchase it directly from manufacturers using funds on designated accounts. Since August 2026, they can also place competitive orders for customised drones based on technical specifications. The two channels intersect under Army of Drones Bonus, where units redeem ePoints earned for verified combat and operational results through Brave1 Market, while the DPA manages centrally funded procurement and delivery through DOT-Chain Defence.

**Unit as contracting authority.** A higher degree of autonomy applies when a military unit purchases equipment independently. Units can draw on allocations under their approved spending plans, dedicated procurement programmes, funds distributed through the military personal income tax (PIT) mechanism, subventions from local budgets, and charitable donations from individuals, businesses and charitable foundations. The military-PIT mechanism allocates 10% of the relevant tax revenues to the special fund of the state budget for subsequent distribution to military units for materiel support, proportionate to the PIT paid on their personnel's remuneration. A proposal to increase this share to 20% was considered in 2026, while the operative Budget Code provision retained the 10% allocation. Depending on the procurement category, contract value and security requirements, authorised procurement officers can conduct open tenders, simplified procurement procedures, requests for quotations through Prozorro Market, direct contracting below procurement thresholds, direct contracting under specified legal exceptions, and direct contracting for weapons and military or specialised equipment under Cabinet Resolution No. 1275. Payments under unit-level contracts are processed through the State Treasury.

**Purchases by external actors.** Although outside the formally recognised framework of decentralised military procurement, purchases by external actors constitute an important supplementary channel for supplying military units. Local authorities, businesses, charitable foundations, volunteer organisations and private individuals can purchase equipment using their own resources and transfer it directly to military units. Local authorities may use local-budget funds to procure equipment in response to documented military requirements, while businesses, charities and volunteers finance purchases through corporate contributions, private donations and fundraising campaigns. Military units can identify operational needs and provide technical specifications, while external purchasers select suppliers, conclude contracts and make payments. Equipment is subsequently transferred to the receiving units in kind. This mechanism complements formal military procurement by mobilising additional resources and enabling rapid responses to operational requirements, while remaining distinct from procurement conducted by military units as contracting authorities.

## Sources of funding for unit-level procurement

| Source / programme | How it reaches the unit or procurement system | Who controls product choice | Who contracts / pays | What it can support |
|---|---|---|---|---|
| **Regular state-budget allocations to military units** | Funds are included in the unit's spending plan through the relevant budget manager | Military unit | Military unit concludes contracts; State Treasury executes payments. | Equipment, components, repairs, supplies and other authorised needs |
| **General-fund resources for unmanned systems** | From 2026, units can use the full range of state funding allocated for unmanned systems, including general-fund resources | Military unit | Military unit concludes contracts; State Treasury executes payments. | Drone components, upgrades and adaptation of unmanned systems |

| | | | | |
|---|---|---|---|---|
| **Military PIT – 10% mechanism** | 10% of the relevant military PIT is credited to the state-budget special fund and automatically directed to military units for materiel support in proportion to PIT paid for their personnel | Military unit | Military unit concludes contracts; State Treasury executes payments. | Materiel and equipment within legally permitted purposes |
| **Drone Line programme funding** | Dedicated programme funding for participating combat units, allocated to support their operational requirements. | Participating combat unit, within programme priorities and available allocations. | DPA contracts and pays for orders placed through DOT-Chain Defence. | UAVs and other equipment covered by the programme and required by participating combat units. |
| **State-budget allocations for procurement through DOT-Chain Defence** | State-budget funding is made available to participating units as purchasing limits within DOT-Chain Defence. | Military unit selects products and quantities within its allocated purchasing limit. | DPA concludes contracts, executes payments and oversees contract performance and delivery. | UAVs, EW systems, UGVs and other listed equipment |
| **Army of Drones Bonus programme (ePoints)** | Units earn ePoints from verified combat and operational results; points appear in Brave1 Market | Military unit | DPA concludes contracts and executes payments; orders are processed through DOT-Chain Defence. | Ukrainian-made UAVs, UGVs, EW and other technologies available in Brave1 Market |
| **Subventions from local budgets to the state budget for defence purposes** | Local authorities transfer funds to the state budget as earmarked defence subventions. Funds are subsequently allocated to authorised defence recipients in accordance with applicable budget decisions. | Designated military unit or other authorised defence recipient, within the approved allocation and purpose. | Authorised contracting authority concludes contracts; State Treasury executes payments. | Equipment, supplies and other defence requirements authorised under the relevant budget allocation. |
| **Direct procurement by local authorities** | Local authorities procure equipment using local-budget funds and transfer it in kind to military units, usually in response to documented military requirements. | Local authority, taking account of the receiving unit's documented requirements. | Local authority or authorised municipal contracting entity concludes contracts and makes payments through applicable budget procedures. | UAVs, EW, vehicles, equipment, materials and other authorised items |
| **Charitable contributions credited to a military unit** | Donations from individuals, businesses, charitable foundations and other donors are credited to the military unit's authorised special-fund account. | Military unit within the designated purpose | Military unit concludes contracts; State Treasury executes payments. | Commander-defined needs within the permitted purpose of the donation |

| | | | | |
|---|---|---|---|---|
| **Direct procurement by businesses, charitable foundations, volunteers and private donors** | External purchasers finance and procure equipment using their own resources or donations and transfer it in kind to the receiving military unit. | Usually based on the unit's request; exact choice varies by donor arrangement | Business, charitable foundation, volunteer organisation or private purchaser concludes contracts and pays suppliers directly. | UAVs, vehicles, thermal imagers, communications equipment, software and other materiel |

Military-unit procurement begins with **operational demand generated inside the unit**. Service chiefs and subordinate commanders identify requirements and submit procurement requests specifying the item or service, quantity, technical characteristics, delivery deadline, priority and an estimated unit price based, where possible, on at least three comparable market offers. The unit's authorised procurement officer consolidates these requests and submits them to the commander. Once approved, they are incorporated into the unit's formal **list and volumes of procurement**, which is adopted by command order and may be amended as new operational needs emerge. Unlike the annual procurement plan, which is inherently prospective, this list reflects the concrete purchases the unit intends to execute under martial law.

Operational specialists define the requirement, while procurement, finance and legal personnel translate it into a legally compliant purchase and contract. Each military unit appoints one or more authorised procurement officers; responsibilities can be divided, for example, between competitive electronic procurement and purchases conducted outside the electronic system. Units are also encouraged to establish their own internal procurement rules defining responsibilities and workflows.

A separate regime applies to weapons, military and special equipment, missiles, ammunition and related development, repair and modernisation. Under Resolution No. 1275, these categories may be procured without the standard procedures prescribed by the public and defence procurement laws; the relevant state defence customer establishes the contracting procedure. Military units therefore need a separate internal process for these purchases, including requirements for supplier quotations, reporting and information on the manufacturer and country of origin.




*Military Unite's Contract Approval Procedure*

## Meeting the Needs - Principal Procurement Routes Available to Military Units

Military units with delegated procurement authority can use several procurement routes depending on the type, value and urgency of the requirement. Resolution No. 1275 creates a wartime regime combining Prozorro-based competition with procurement outside the electronic system. Eligibility to procure outside Prozorro is an option rather than an obligation; units may still use electronic procedures where these provide better competition, price or speed.

### WHEN UNITS CAN PROCURE DIRECTLY, AND WHICH PROCUREMENT ROUTES ARE AVAILABLE

Military units with delegated procurement authority can use different routes depending on the type, value and purpose of the requirement.

**1 BELOW THE THRESHOLDS**
Direct contracting is allowed without electronic procurement.

| Goods and services | Works |
|---|---|
| **< UAH 200,000** (≈ €3,940) | **< UAH 1.5 million** (≈ €29,560) |

- Contracts can be concluded directly without using Prozorro.
- Units should still conduct market research, seek several quotations where possible and negotiate price, delivery, logistics and technical support.
- Higher command may require electronic procurement for certain categories, even if below the thresholds.

**TYPICAL EXAMPLES**

| | |
|---|---|
| Personal protective equipment | Supplies and consumables |
| IT, computer and optical equipment | Communications equipment |
| Spare parts and maintenance services | Repair and other support services |
| Vehicles (non-combat) and related services | Other equipment and materials |
| Consultancy and other services | |

**2 AT OR ABOVE THE THRESHOLDS**
Electronic procurement through Prozorro is required (except for specific grounds).

| Goods and services | Works |
|---|---|
| **≥ UAH 200,000** (≈ €3,940) | **≥ UAH 1.5 million** (≈ €29,560) |

**PROCUREMENT ROUTES IN PROZORRO**

**Open tender**
Competitive procurement open to all eligible suppliers.

**Simplified procurement**
Faster electronic procedure for less complex requirements.

**Prozorro Market (electronic catalogue)**
For standardised goods and services.

**Request for quotations (through Prozorro Market)**
For low-value standardised goods and services within the thresholds.

**3 SPECIAL DEFENCE PROCUREMENT**
No Prozorro procedures.

Weapons, military and special equipment, missiles, ammunition and their components, as well as their development, repair and modernisation, and specified military-engineering and fortification requirements, are procured without standard electronic procedures.

**CONTRACTS ARE BASED ON COMMERCIAL OFFERS**

- from Ukrainian or foreign suppliers;
- with key technical, logistics and price information (e.g. NATO Stock Number, characteristics, manufacturer, country of origin, delivery terms);
- units seek as many offers as practicable and negotiate prices.

**4 DIRECT CONTRACTING AT OR ABOVE THE THRESHOLDS**
Allowed only on specific legal grounds (Point 9 of Cabinet Resolution No. 1275).

| | | | | | |
|---|---|---|---|---|---|
| **Open tender cancelled for lack of bids** Subsequent direct contracting allowed under unchanged requirements and original value. | **Customer in an active combat zone** | **No competition for technical reasons** | **Protection of intellectual-property rights** | **"Last resort" supplier** | **Documented urgent need** Cannot accommodate the timeframe of an open tender or electronic catalogue. |

All procurements are conducted using funds allocated through the Ministry of Defence's budget system or other legally permitted sources, and only within the unit's approved budget estimate.

*Selecting a Procurement Procedure under Applicable Rules and Restrictions*

### Procurement procedures available to military units

Military units authorised to conduct procurement under Cabinet Resolution No. 1275 can purchase equipment, goods, works and services through several mechanisms, depending on the procurement category, contract value, operational circumstances and applicable security requirements. These include direct contracting below procurement thresholds, open tenders, simplified procurement procedures, requests

for quotations through Prozorro Market, direct contracting under specified legal exceptions, and special procurement arrangements for weapons and military or specialised equipment. The choice of method is determined by the applicable legal conditions rather than a hierarchy of preferred procedures.

**Procurement without the electronic system.** Military units may purchase defence goods and services valued below UAH 200,000 (approximately €3,940) and works below UAH 1.5 million (approximately €29,560) without using Prozorro. Even when electronic procurement is unnecessary, units should conduct market research, seek several commercial quotations where practicable, and negotiate prices, delivery conditions, logistics and technical support. Higher command may require electronic procurement for certain categories even below these thresholds.

The Law on Defence Procurement covers a broad range of goods purchased to meet military requirements, including personal protective equipment, specialised vehicles, computers, optical and measuring equipment, communications and information-protection equipment, military uniforms, dual-use products and other supplies. Defence works may include construction, reconstruction, capital repairs, research and development, and other works required for defence purposes.

**Open tenders.** For goods and services valued at UAH 200,000 or more and works valued at UAH 1.5 million or more, military units may conduct open tenders through Prozorro under Cabinet Resolution No. 1178. The unit publishes the procurement announcement, technical specifications, qualification requirements, evaluation criteria and draft contract through an authorised electronic marketplace. Under the current rules, the period for submitting tenders must be at least 15 days. Where competition produces two or more eligible bids, the electronic auction mechanism may be used to establish the lowest price. If only one bid is submitted, the procurement can proceed to evaluation without an auction. The contracting authority may also conduct an open tender without an electronic auction where the applicable rules permit. The unit evaluates compliance with the published requirements, selects the successful bidder and concludes the contract in accordance with the prescribed procedure.

**Simplified procurement procedures.** Simplified procurement offers another competitive route through Prozorro, governed by Article 14 of the Public Procurement Law and the special provisions of Resolution No. 1275. The military unit publishes an announcement and procurement requirements, followed by a clarification period of at least three working days and a period of at least two working days for submitting offers. If only one supplier submits an offer, the procedure proceeds directly to evaluation. With two or more offers, the electronic system schedules a three-round auction in which suppliers can reduce their prices. The unit evaluates the lowest-priced compliant offer, normally within five working days, and publishes its intention to conclude the contract within one working day of selecting the winner. The contract may be signed from the following day and generally within 20 days of selection. The rules also provide a 24-hour period for suppliers to correct certain discrepancies in submitted documents following notification by the contracting authority.

**Requests for quotations through Prozorro Market.** Military units may purchase eligible standardised goods through Prozorro Market, the electronic catalogue within the Prozorro system. Under this procedure, the contracting authority selects the relevant product category, specifies the required characteristics, quantities, delivery location, delivery schedule and payment conditions, and publishes a request for quotations. Suppliers admitted to the relevant catalogue category submit price offers electronically. The system determines the successful supplier according to the applicable selection rules, after which the military unit concludes the contract. Unlike open tenders and simplified procurement, this mechanism uses a prequalified supplier pool and standardised catalogue specifications, reducing the administrative work required to organise individual purchases. The January 2026 amendments to Cabinet Resolution No. 822 further adjusted the rules governing requests for quotations.

**Direct contracting above procurement thresholds.** For purchases at or above UAH 200,000 for goods and services and UAH 1.5 million for works, direct contracting outside Prozorro is permitted under specific legal grounds established by Point 9 of Resolution No. 1275. These include an open tender or simplified procurement cancelled because no suppliers participated; procurement by a military unit located in an active combat zone; documented absence of competition for technical reasons; protection of intellectual-property rights; and purchases that can be supplied only by a designated supplier of last resort. Direct contracting is also permitted where an objectively documented urgent requirement arises

from unforeseeable circumstances beyond the contracting authority's control, making it impossible to observe the timetable for an open tender or electronic-catalogue procurement.

The July 2026 amendments expanded the available grounds. Military units may directly purchase certain used vehicles, including pickup trucks, off-road vehicles, motorcycles and all-terrain vehicles, where these correspond to established military requirements and the prescribed valuation rules are followed. Direct contracting may also cover additional goods from an existing supplier when changing suppliers would cause technical incompatibility, subject to the statutory conditions. Additional related works and services may be purchased from the original contractor within three years, provided their combined value does not exceed 50% of the original contract. Where an electronic procurement procedure is cancelled because no bids were submitted, subsequent direct contracting is subject to restrictions on changes to the procurement requirements and contract value. These grounds provide flexibility while requiring a documented legal justification for bypassing competitive procedures.

**Special defence procurement for weapons and military equipment.** A separate wartime regime applies to weapons, military and special equipment, missiles, ammunition and their components, military-purpose explosives, and services covering their development, repair and modernisation. It also covers specified military-engineering and fortification requirements and other categories expressly provided for by Resolution No. 1275. These purchases may be conducted without the standard procurement procedures established by the Public Procurement Law and the Defence Procurement Law. Instead, the authorised defence customer determines the contracting arrangements under the special wartime rules.

Contracts are based on commercial offers from Ukrainian or foreign suppliers. An offer should specify the product name and identification details, including its NATO Stock Number where available, technical or tactical characteristics, condition, manufacturer, country of origin, delivery arrangements, price and payment terms. Although formal tendering is not required, the contracting authority should seek competing commercial offers where practicable and negotiate prices and delivery conditions. This mechanism is particularly relevant to military equipment for which standardised tender specifications, lengthy procurement timelines or unrestricted disclosure of technical information may be impractical.

The resulting system combines electronic competition for standardised requirements, simplified supplier selection for catalogue goods, legally defined exemptions for operationally urgent or otherwise exceptional circumstances, and separate contracting arrangements for weapons and specialised military equipment. Military units select the applicable mechanism within their delegated procurement authority, approved funding allocations and the requirements of Resolution No. 1275.

# A3 Abbreviations

| | |
|---|---|
| **ACodP-1** | Allied Codification Publication No. 1 / NATO Manual on Codification |
| **API** | Application Programming Interface |
| **AQAP** | Allied Quality Assurance Publications |
| **CORPUS** | Coalition for Resilient Procurement and Unified Support |
| **CSNS** | Centre for Statecraft and National Security |
| **DPA** | Defence Procurement Agency |
| **DOT** | State Rear Operator (Derzhavnyi Operator Tylu); the acronym is retained in DOT-Chain Defence |
| **ECFR** | European Council on Foreign Relations |
| **EDIP** | European Defence Industry Programme |
| **ELINT** | Electronic Intelligence |
| **EW** | Electronic Warfare |
| **FPV** | First-Person View |
| **GS** | General Staff |
| **IP** | Intellectual Property |
| **JV / JVs** | Joint Venture / Joint Ventures |
| **MoD** | Ministry of Defence |
| **NATO** | North Atlantic Treaty Organization |
| **NMCRL** | NATO Master Catalogue of References for Logistics |
| **NSN / NSNs** | NATO Stock Number / NATO Stock Numbers |
| **NSPA** | NATO Support and Procurement Agency |
| **PURL** | Prioritised Ukraine Requirements List |
| **R&D** | Research and Development |
| **SAFE** | Security Action for Europe |
| **SSC** | Sahaidachnyi Security Center |
| **STANAG / STANAGs** | Standardization Agreement / Standardization Agreements |
| **TR** | Technical Requirements |
| **UAH** | Ukrainian hryvnia |
| **UAS** | Unmanned Aircraft System(s) |
| **UAV / UAVs** | Unmanned Aerial Vehicle / Unmanned Aerial Vehicles |
| **UGV / UGVs** | Unmanned Ground Vehicle / Unmanned Ground Vehicles |
| **UK** | United Kingdom |
| **US** | United States |
| **USD** | United States dollar |

# About the Authors

**Elena Davlikanova**

Dr. Elena Davlikanova is a security and political analyst specialising in Russia's sub-threshold warfare against Europe, strategic foresight, and security policy. She is a Senior Fellow at the Sahaidachnyi Security Center and the Center for European Policy Analysis (CEPA), and a Research Fellow with the Department of War Studies at King's College London. She co-authored CEPA's *Containing Russia, Securing Europe* and contributed to the strategic foresight projects *Scenarios: Ukraine 2032* and *Scenarios: Russia 2032*. Her research focuses on Russian operational practices, European security, and the political and societal dimensions of Russia's aggression. She has published with the Atlantic Council, Jamestown Foundation, *The Moscow Times*, and other international outlets.

**Polina Istomina**

Polina Istomina is a UK-Ukraine Programs Specialist at the Sahaidachnyi Security Center, focusing on defence and security cooperation between the two countries. With experience in Silicon Valley and London across the technology and life sciences sectors, she has since 2022 concentrated on strengthening Ukraine's defence ecosystem, particularly miltech and emerging technologies. She supports and mentors defence-tech companies through platforms including Brave1. Polina holds an MBA from INSEAD and an undergraduate degree from Kyiv-Mohyla Academy.

**Jade McGlynn**

Dr Jade McGlynn is Head of the Ukraine and Russia Programme and Senior Research Fellow at the Centre for Statecraft and National Security (CSNS), King's College London, and a Leverhulme Early Career Fellow in the Department of War Studies. Her research focuses on Russia's war against Ukraine, Russian-occupied Ukrainian territories, propaganda, cognitive warfare, political ideology and memory politics. She is the author of *Russia's War* and *Memory Makers: The Politics of the Past in Putin's Russia*.

**Chris Pool**

Chris Pool is a Visiting Fellow in the Ukraine and Russia Programme at the Centre for Statecraft and National Security (CSNS), King's College London, and a PhD researcher in the Department of War Studies. His research focuses on Russia's war against Ukraine, societal mobilisation, civil-military relations, defence technology and international humanitarian law.

LESSONS FROM UKRAINE

The Lessons from Ukraine series is a standing publication initiative under the Centre for Statecraft and National Security (CSNS) Ukraine and Russia Programme that channels leading Ukrainian defence and security analysis directly into UK policy debate. Working with Ukrainian military units and analytical centres, the series co-publishes policy-facing papers on issues of direct relevance to UK national security.

This extended version has also been prepared as supporting material for the Defence Academy of the United Kingdom.