Contract 15.ESI.OP.029
"Support to the Implementation of the Supply Chain Action Plan"

Executive Summary

Prepared for the European Defence Agency (EDA)

Date: 01 June 2016

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Extent and Approach

In July 2015 the European Defence Agency (EDA) awarded IHS Global Limited (IHS Jane's) to deliver analytical services in response to *Invitation to Tender 15.ESI.OP.029: "Support to the Implementation of the supply chain action plan*."

The underlying components (work packages) of the project, though standalone outputs, make for a compelling set of tools EDA has envisioned to deliver on the objectives of the Supply Chain Action Plan (SCAP). As such IHS research and analysis focussed on identifying, researching and analysing the feasibility of these tools to meet the objectives lay forth by EDA, and proposed best practices to consider for enhancing the effectiveness of SCAP objectives.

The six objectives of the nine-month project contained within five work packages, against which IHS delivered this project, are:

- **Common understanding:** IHS supported the EDA to establish a common understanding of the European Defence Supply Chain and its key elements;
- **Information sharing concepts:** IHS explored means to improve access to information and business opportunities by developing concepts for matchmaking / clustering workshops and for the development of a European Defence Industry Symposium (EDIS) based on a review/assessment of NATO's various support to supply chain tools;
- **Network development:** IHS developed a concept and methodology for a Defence Supply Chain Networks (DSCN) to improve information sharing and the exchange of best practices within the industrial community and business opportunities. IHS understands the DSCN is to include the participation of National Defence Industry Associations (NDIAs) the Aerospace and Defence Industries Association of Europe (ASD), SMEs associations, and defence-related clusters and other relevant actors;
- **Incentives to cooperation:** IHS identified and analysed potential incentives and measures for suppliers to open defence supply chains. IHS provided appropriate models for such measures, including efficient subcontracting;
- **Funding:** IHS provided specific recommendations based on the identification of best practices for funding mechanisms along the supply chain;
- **Recommendations:** IHS provides specific recommendations to the EDA and pMS on how to improve supplier's cross-border market access.

The five work packages constituting this project are aimed at achieving the aforementioned objectives. As such, the work packages included in this study are:

- **Work Package 1:** Propose and support EDA actions on understanding the Supply Chain Action Plan key elements;
- **Work Package 2:** Explore means to improve access to information and business opportunities;
- **Work Package 3:** Improve market access to the suppliers, identifying and promoting the practices on other specific funding mechanisms along the supply chain, and providing models for efficient subcontracting;
- **Work Package 4:** Develop the baseline for an European registration/accreditation registry of the defence economic operators; and
- **Work Package 5:** Provide further recommendations and guidance to EDA for the implementation of the SCAP in order to open more the cross-border defence supply chain.

The underlying components of the above work packages can be further segmented across three key tools categories:

1. **Foundation:** Data that provides better understanding of the European defence industry landscape. This includes Work Pakage-1 deliverables:
   1.1. Supply Chain SWOT analysis
   1.2. European Defence Industry Typology
   1.3. Industry Cartography
   1.4. National Defence Industry Associations (NDIA) Catalogue.

2. **Enablers:** The Work Package-2 deliverables are primarily tools that will potentially support EDA to facilitate enhancement of European Defence Industry competitiveness through a series of collaborative platforms and events. This includes:
   2.1. Defence Portal Gateway
   2.2. B2B Event
   2.3. European Defence Industry Symposiums (EDIS)
   2.4. Defence Supply Chain Network (DSCN)
3. **Best Practices:** Processes to consider in designing and implementing supporting policies and measuring effectiveness This includes deliverables of Work Packages 3 and 4:
   3.1. Cross Border Market Access and Funding Mechanisms
   3.2. Accreditation Registry

Challenges and Limitations

IHS analysis highlighted key learnings across each of the components of the tools listed above. Each work package had its bespoke approach, as the input and output content varied to fulfil specific elements of the EDA SCAP priority actions noted earlier. The complexity and the diversity of the work packages highlighted some key challenges to take note of and consider in future implementation of these tools to meet EDA objectives.

Data Sourcing

- Lack of defence business specific data reporting, especially by the lower tiers of the industry.
- Limited response by industry and lack of willingness to share specific organisational data, including revenues and other selected data due to one or more of the following reasons:
  - Sensitivity of data: Defence industry data / information are mostly considered confidential / official sensitive. As such organisations have a protective stance on sharing organisational stats [pertaining to the defence sector in the open space.
  - Business structure: As the primarily non-defence companies increase the share in the defence supply chain, the availability of organisational stats specific to defence sector is difficult to extract. Most stats will be a part of a primary business unit, which may be focusing on multiple sectors and as such not publishing or capturing stats by sector.
  - Limited resources: Organisations did not have surplus resources and / time to provide dedicated response to survey questions.

Data Duplication

- For the typology section, IHS employed its internal databases in light of the limited industry response to the survey. The data was revised to meet the requirements of the typology. Some of the key points to be noted for the typology include:
  - Organisational information is duplicated – in most cases the parent company's data is available but business units and / or subsidiaries the data is often not available.
  - Organisational data on commercial entities that have significant businesses in other sectors – companies such as DHL and BP for example – skew the overall data on European defence industry contributions. This is primarily due to the lack of published data on the commercial companies' business share in the defence sector.

Industry Participation

- Though overall all tools generated broad interest from the industry participants, when it came to representing at the various events, the responses were somewhat limited. This is potentially due to lack of resources, short decision-making time to plan around the event dates, other prior commitments such as commercially driven industry events globally, and pre-planned / allocated events budgets.

The above limitations were discussed and resolved in consultation with EDA, ensuring the relevance of the overall project objectives.

Executive Summary

An integrated, sustainable, innovative and competitive European Defence Technological and Industrial Base (EDTIB) is essential to ensure military operational effectiveness and security of supply, as recognised by the European Council in December 2013. A healthy EDTIB will contribute to maintaining and developing the strategic autonomy of Europe.[1] It also has an important role in securing the economic vitality of the EU. The EDTIB provides thousands of highly skilled jobs, directly employing some 400,000 people and indirectly supporting a further 960,000 jobs, according to some estimates.[2]

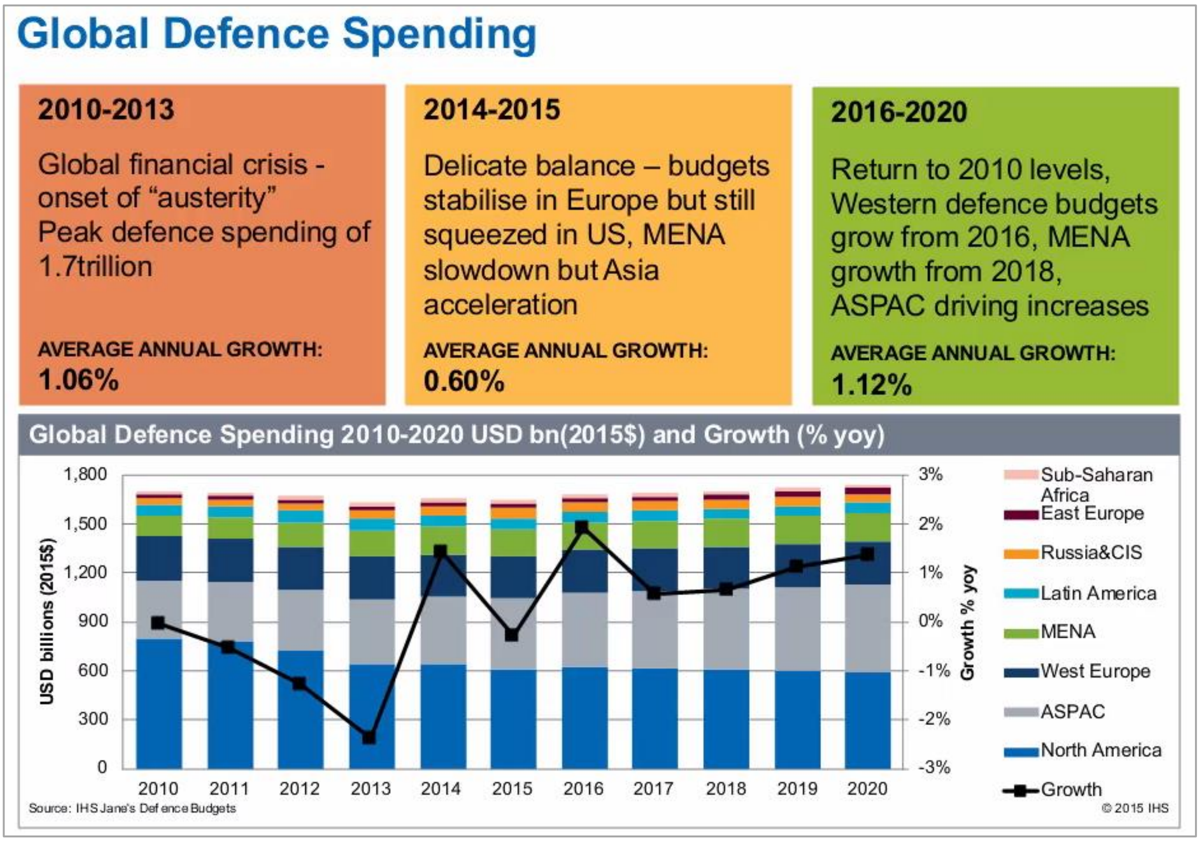

Figure 1: Global Defence Spending 2010-2020. Source IHS Analysis

The EDTIB is coming under increased and varied pressure. Developing geo-political challenges in the past 12 months alone, including threats to the EU's border security arising from conflict in eastern Europe, terrorism, and irregular migration via North Africa and the Middle East, all highlight the need for an appropriate military capability to match the varied and evolving requirements of EU policymakers. The increasing challenge for military planners is the speed with which requirements are changing. The struggle to keep pace with evolving requirements is creating a greater need for better future planning. However, this operational excellence must be delivered under increasing resource constraints. European defence budgets have been shrinking since 2010, in large part because of the ongoing impact of the 2008 global financial crisis. Between 2010 and 2014 defence budgets in Western Europe shrank by 7.3% and in Eastern Europe by 2.3%. Economic constraints on defence spending are likely to prevent large budget increases for the foreseeable future. There are clear consequences of restricted spending for the development of military capability in Europe and the defence industrial base.

[1] "EDA Supply Chain Action Plan," European Defence Agency
[2] "Enhancing European defence-related clusters," European Defence Agency

European defence economic operators are also challenged by the need to secure export markets. As they have moved from protected national markets to more competitive EU and overseas markets a greater need for cost-effectiveness and efficiency of supply chains has been emphasised. This, in conjunction with declining European defence budgets, threatens the sustainability of the defence supply chain in Europe at all levels from the prime contractor through to SMEs. The pan-European Aerospace and Defence association in Brussels, for example, has estimated that 50% of its members are now outside of the EU and that this is creating dependencies beyond Europe. It also notes that these third countries typically do not want European economic operators to act as a service provider but rather as a partner to build up their indigenous defence industrial base through technology transfers.[3] This trend potentially hinders European Council objectives.

The EDTIB is complex, itself partly a reflection of the fragmentation of European supply and demand. Complexity can aid resilience by limiting single points of failure. However, its complexity may blunt understanding of the market and access by SMEs.

Finally, the legal and political frameworks governing the EDTIB can prove challenging, not least the differences between national and EU laws that may frustrate transparency and competition in the supply chain. Tension between concepts of national sovereignty hinders Europe's defence market keeping it fragmented and inefficient.[4]

Top 5 Market Trends	Top 5 Market Drivers
• Geopolitical and defence economic shifts • Skill loss • Diversification from conventional ammunition; shift towards precision and advanced munitions • Supply chain dependencies and risks • Growing potential for harmonization and collaboration efficiencies	• Greater emphasis on seeking commonality in requirements • Increasing non-European dependencies creating pressure on home industrial base stability • Increasing cost of system development • More dynamic competitive pressures from traditional and emerging market competitors • Security of supply driving contingency planning

Figure 2: IHS understands the European defence industry is challenged on a number of fronts, heightening the case for EU-level coordinated actions.

Findings and Conclusions

This study as noted in the title I designed to support the implementation of EDAs supply chain action plan. The wok packages covered in the study are reflective of the varied nature of tools explored and involved in enabling EDA to achieve the objectives set within the SCAP. Though each work package stands alone in itself, there is a high degree of interdependencies, such that each work package compliments the other.

As an example, the events (B2B, EDIS and DSCN) will benefit from the Typology inputs providing a better visibility of involved stakeholders in the European defence industry supply chain. This is further complimented with the intended (and unfolding) objective of the Defence procurement gateway (DPG), providing a tool and interface to collate industry stakeholders and industry opportunities information, which can be used to promote to and engage with various stakeholders the multiple tools facilitating EDAs objectives underpinned by the SCAP priority action areas (noted below).

[3] "EU defence integration gaining little traction, despite current threats," IHS Jane's Defence Weekly, 3 June 2015
[4] For example, see "EU needs stronger security-of-supply initiatives, says lobby group," IHS Jane's Defence Weekly, 27 April 2015

Based on the Supply Chain Action Plan, EDA developed a comprehensive implementation plan that has defined a set of five priority action areas. These are:

- Action 2.3: Explore alternative means to improve access to information and business opportunities so as to encourage a regional approach with cross-border participation, including the use of dedicated portals and B2B events;
- Action 3.3: Explore means to improve cross-border cooperation on innovative research and technologies;
- Action 3.6: Contribute to the creation and development of networks between security and defence-related clusters;
- Action 4.2: Identify member state's practices in registration/certification of economic operators at the national level and explore possibilities for mutual recognition at the European level; and
- Support the efficient use of subcontracting provisions of Directive 2009/81/EC through sharing lessons learnt and best practices and developing models to apply these.

This study developed and evaluated tools in support of these priority actions, summarised below.

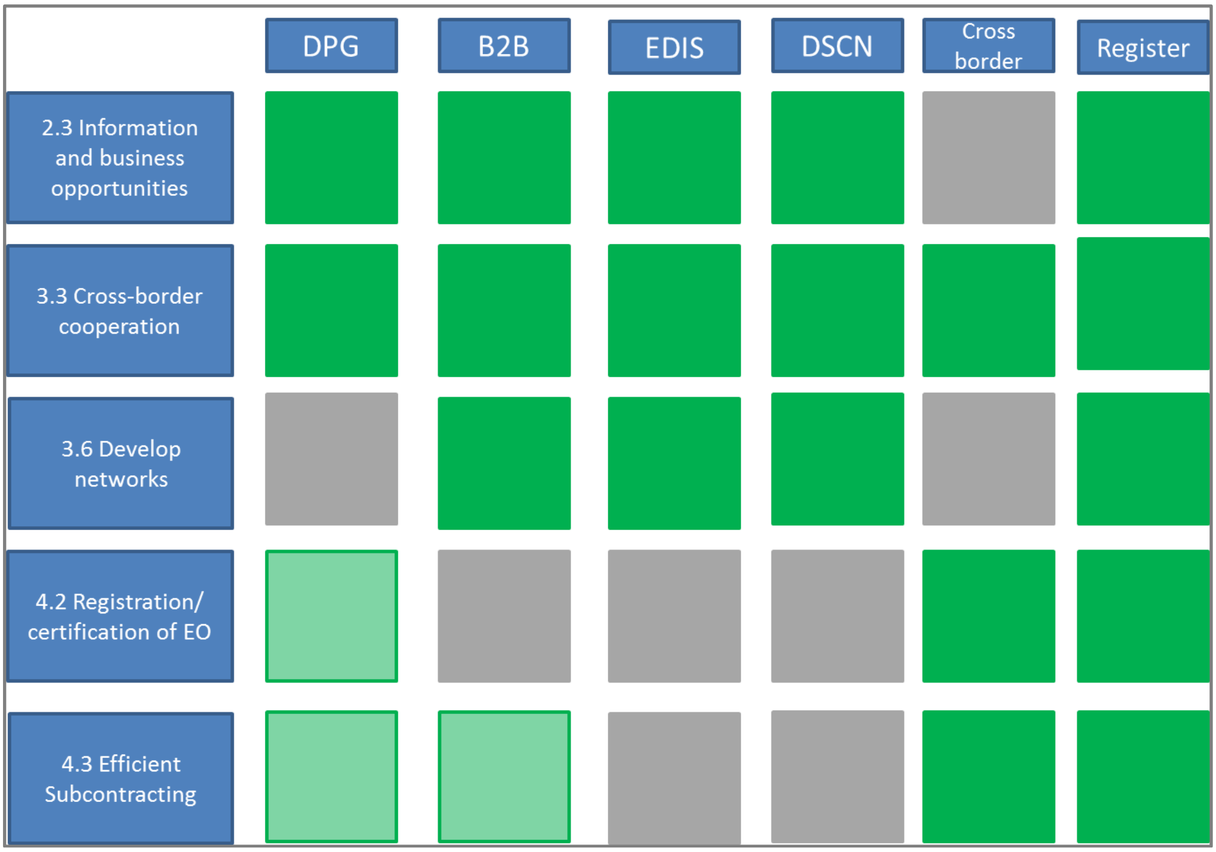

Figure 3: The SCAP tools support the priority actions EDA developed in cooperation with participating Member States experts and industry representatives.

Legend: Limited / No Relevance Partial Relevance Full Relevance

The above tools can be considered under the previously noted output categories of this study- foundation; Enablers; Best Practices. The findings of this study across the underlying work packages within these three categories are expected enable EDA in successfully implementing the SCAP objectives. A snapshot of the main findings under these three categories are presented in the graphic below, followed by work package specific summarised findings and takeaways:

Foundation

- Supply Chain SWOT
- Typology
- Cartography
- NDIA Catalogue

European defence industry is highly fragmented and competitive. The supply chain is largely self-sufficient in meeting defence customer requirements (with the exception of some capabilities). However, certain domains are facing the risk of overcapacity.

Enablers

- DPG
- B2B Event
- EDIS
- DSCN

Industry participants rely on a combination of existing events and internal initiatives to manage and engage their supply chain. However, there is active interest in availing opportunities via better visibility of MoDs plans and intent through a set of standardised tools, such as events / web portals / forums.

Best Practices

- Cross-Border
- Accreditation Registry

Despite its specific characteristics, the defence industry mechanics- supply chain and procurement processes are not very different from other industries, and hence can / should collaborate and leverage best practices from them.

Work Package-1

Supply Chain Analysis: SWOT, Typology, Cartography and Catalogue

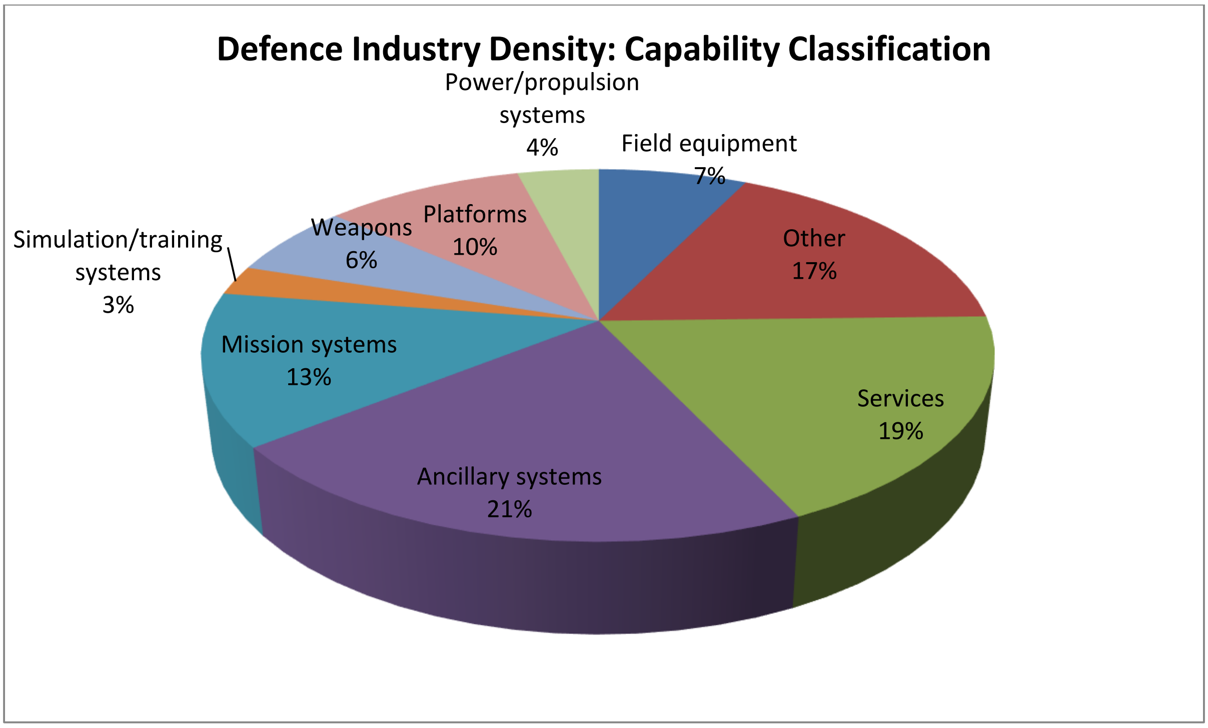

Figure 4: Defence Industry Density: Industry Tiers. Source IHS Analysis

Consolidated veneer but national underpinning: The European defence technological and industrial base (EDTIB) is dominated mainly by four large prime contractors; BAE Systems, Airbus Group, Thales and Finmeccanica. Although this implies a degree of cross-European consolidation and collaboration it remains that below this level the EDTIB is more aligned on a national basis and displaying less evidence of EU-wide integration. It is further evident that at this national level most capability is maintained within the six Letter of Intent (LoI) countries; France, Germany, Italy, Spain, Sweden and the UK.

	Strength	Weakness	Opportunity	Threat
EDTIB	• Competition • Adjacent market synergies • Private sector	• Stewardship • Participation • Fragmented • Labour costs • Export barriers • Defence spending cuts	• Cost and capabilities • Self-sufficiency • Export market	• Emerging competitors • External shocks
India DTIB	• Centralised control • Strong market • Adjacent market synergies • Competition • Political support	• Capability • Bloated state • Foreign dependency • International exposure • Delays	• Low labour costs • Costs • Partnerships • Requirements • Co-operation	• Skills • Training • FDI • Bureaucracy • Corruption
Russia DTIB	• Centralised control • Breadth and depth of capabilities	• Soviet legacy • MIC consolidation • Costs • Limited private sector • Management • Ukraine loss	• Modernisation programme • Government support to overseas sales • NATO expansion	• Economic weakness • Sanctions • Corruption • Industrial capability and capacity • Struggling exports
US DTIB	• Scale and breadth • Centralisation • Active Federal policy • Protected market • Export market facilitation • Sustainability and skills of workforce	• Growth in weapon system costs • Weapon development time • Low profitability	• Geo-political instability • Adjacent market exploitation	• Political environment • Defence budget cuts • Overseas reliance on Tier 6
Automotive	• Global Supply Chain • Low cost-high tech models • Consumer based market	• Competition Density • Low supply chain redundancies • Cost sensitive	• Next generation motoring- hybrid / unmanned • Digital Manufacturing	• Non-traditional competitors • Macro dependence • Over capacity
Communication Infrastructure	• Consumerism driving demand • CNI: Driving investments • Supplier alliances	• Regulated market • High investment-long-term RoI	• Next gen technologies: Digitization / IoT • Increasing privatisation of infrastructure • Urbanisation	• Security breaches • State-backed competitors

Strength in innovation and efficiency: The supply chains of most EU member states - with exceptions in central and Eastern Europe - are privately owned and exposed to market forces more than in some other markets. This has encouraged innovation and efficiencies to emerge. It has also driven responsiveness to customer needs that are less evident in state-dominated markets. The defence supply chains in the EU have proven success in adjacent commercial markets - including non-military aerospace, automotive, energy and cyber - reducing reliance on national defence spending trends.

Limited direction: The lack of unity of authority and centralised control to leverage EU-wide efficiencies is a weakness. This inhibits EU-wide participation and the opportunities of leveraging EU-wide efficiencies.

Cautious Disclosure: The very nature of the defence and security sector leads to limited clarity in associated revenues precisely towards this sector. The presence and success of EU defence supply chains in the commercial markets further causes defence specific data to be difficult to collate. Data collation will need to be an ongoing activity, with industry primes being encouraged to share higher clarity of their defence sector interests and its sub-contractors.

Takeaways

The EDTIB is competitive and this has built a degree of resilience and efficiency while also encouraging innovation. This competitiveness is underpinned by the private sector dominance and exposure to adjacent markets. The defence supply chains of Europe typically have exposure to adjacent commercial markets (such as non-military aerospace, automotive and energy markets). Barriers to participation in the supply chain are minimal and both governments and prime contractors typically encourage new participation through industry events.

Core challenges to the strength of the EDTIB include a lack of an integrated approach to the European defence industrial base; disparate approaches to investment; strategic husbandry of the supply chain and market participation.

The European defence supply chains need to drive competitiveness through innovation, if it is to counter the threat of the emerging competitors strengthened by their low labour costs and more favourable (than Europe) economic outlook.

To do

- **Short term: Coordination**. Enable better coordination between member states (and supporting policies) such that it encourages and promotes collaborations across industry tiers beyond national borders- creating a truly (European) supranational supply chain.
- **Medium term: Optimise**. Commit to a sustained process of rationalising supply chain capabilities and capacity- firstly to meet internal needs, and to capture a larger chunk of the global export markets- with a coordinated effort of member states to enhance overall competitiveness of the supply chain through increasing transparency and supply chain integration.

Work Package-2

Defence Procurement Gateway

The EDA has the opportunity to develop the DPG into the single source of critical defence industry information and business opportunity identification for the EDTIB. Future direction for the DPG is not limited to a defence opportunities portal alone. The users have indicated a strong desire to seek cross industry partnerships and collaborations via this portal. This will not only be a strong value proposition for the users but also supporting stakeholders from the pMS.

Takeaways

The DPG is a ***unique*** source of information for defence-related business opportunities and information but it does not provide ***comprehensive*** visibility of defence-related business opportunities. This limits the criticality of the DPG to its intended user base.

To do

- Short term: **Polish**. Create a harmonized web portal that is easy to navigate. Focus on restructuring the existing content and layout on the DPG.
- Medium term: **Go big**. Provide a comprehensive listing of Europe-wide defence-related opportunities. Provide a listing of international opportunities. Promote and provision listing of sub-contractor opportunities across the European defence industry supply chain.

B2B Matchmaking

The concept of B2B matchmaking has grown significantly in the past decade as a cost effective means for suppliers and buyers to meet. Attendees can meet multiple potential partners in one location over a defined period of time. Meetings are arranged in advance allowing a more effective return-on-investment to be forecast ahead of the event. The study found that potential attendees valued the role the EDA can play in bring stakeholders together and wanted events to access useful information; identify business opportunities; Enhance regional and cross-border cooperation. The EDA can play a unique role in organising and promoting cross-border B2B matchmaking events that brings together a broad range of EDTIB stakeholders.

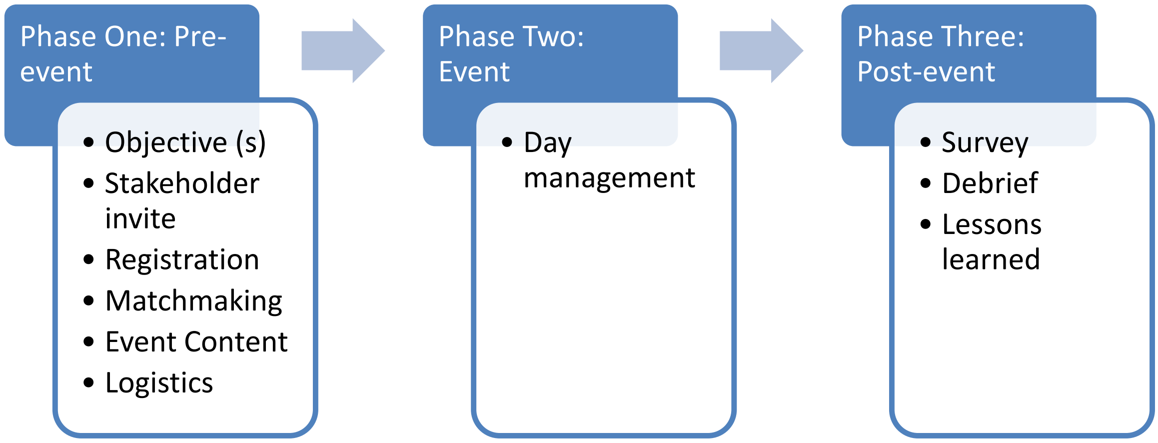

Figure 5: Illustrative Planning Approach for B2B Matchmaking Events. Source: IHS analysis

Takeaways

Business-to-business matchmaking offers a ***valuable opportunity*** for companies, especially SMEs, to network, develop new business and promote the capabilities of their company and its brand to a wide audience in a cost-effective manner. The role of the ***EDA as an enabler*** of targeted B2B events encouraging geographical or sectoral collaboration in the EDTIB and working in coordination with pMS and NDIA is valuable. Industry participants valued the involvement of government so as to learn more about industrial policy and identify existing and future tools to help businesses grow.

To do

- Short term: Organise future B2B matchmaking events based on a geographical and sectoral focus drawing on the support of a prime (s) as an anchor to attract SMEs to further evaluate the concept. Encourage the full and active participation of pMS and NDIA to ensure the matchmaking is not only between industrial participants but also with government (national and EU-level) and industry representatives.

- **Medium term:** Plan a calendar of B2B matchmaking events, each building on the success of the previous. Align these with other EDA events to ensure maximum exposure and participation from across the EU.

European Defence Industry Symposium (EDIS)

The European Defence Industry Symposium (EDIS) will enable the EDTIB to understand future armaments plans and R&T priorities. The objective is for government end-users and industry stakeholders to come together to discuss the EDTIB. The chosen theme for each EDIS event should be current, relevant, and significant to ensure that it attracts the attention and interest of delegates.

Takeaways

The concept of a European Defence Industry Symposium (EDIS) has the ***potential to significantly enhance cooperation*** and create opportunities for collaboration between industry and government across the EU. However, further assessment is required to determine whether the benefits of the event from the perspective of EDA could be secured through other means, for example, sponsorship/participation in other large industry events and trade shows.

To do

- **Short term:** Further evaluate the concept with specific focus upon ensuring that an EDA-organised event is unique in the European defence sector; that the content of the event does not overlap with other industry/government initiatives.

Defence Supply Chain Network

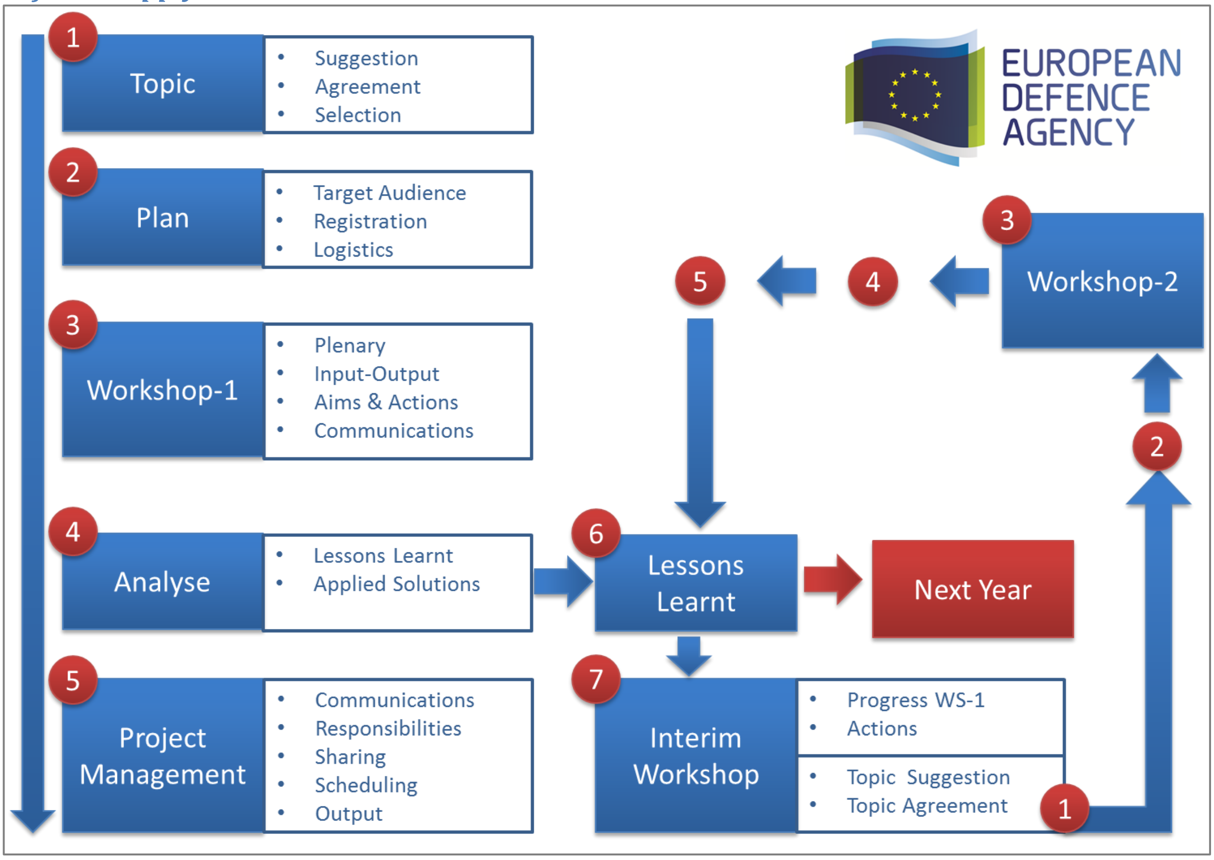

Figure 6: DSCN Events Flowchart

The Defence Supply Chain Network (DSCN) will enable supply chain stakeholders, through NDIAs, to work collaboratively with the EDA. The DSCN will work via a process of facilitated discussions at a series of meetings hosted and moderated by the EDA. The DSCN will focus on actionable results that enhance and support the SCAP. The EDA will facilitate the DSCN and ensure it remains relevant, focused and avoids duplication and wasted effort.

Takeaways
The DSCN enables EDA and industry stakeholders to identify and ***provide solutions*** to problems affecting the European defence supply chain. The Defence Supply Chain Network (DSCN) will enable industry stakeholders within the EDTIB to work collaboratively with the EDA to: improve access to information; identify business opportunities/partnerships; foster regional and cross-border cooperation; bring industry and other supply chain stakeholders together. The DSCN is an effective vehicle to enhance information sharing and take shared actions by providing focused and actionable outputs and outcomes. However, it is important that EDA ensure that the DSCN does not duplicate efforts undertaken by pMS or industry representatives.

To do
- **Short term:** The first DSCN will meet later this year. Aside from any specific actions arising from the workshop it is important that the work of the DSCN is effectively communicated to pMS and the wider industry.

Work Package-3

Cross-border Market Access and Funding Mechanisms
Challenges persist: The Defence and Security Procurement Directive (2009/81/EC) was intended to harmonize Member State rules but challenges for cross-border market access persist. For European defence primes the incentives to broaden supply chains to increase competiveness, drive innovation and control cost can be achieved through a narrower range of well-managed strategic suppliers and not simply by increasing the number of cross-border suppliers from within the EU.

National and Industry approaches to improving cross-border market access offer insight on means to improve at the EU-level. But there is no turnkey solution to enhancing cross-border cooperation. Options to improve include encouraging EU-level procurements to compel primes to explain how they will open their supply chains; utilise third-party information platforms to help OEMs identify suitable suppliers; develop matchmaking; drive SME best practice accreditation.

Takeaways
The Defence and Security Procurement Directive (2009/81/EC) was intended to harmonise member state rules with regards to contract awards in the fields of defence and security. A series of exemptions and exceptions, notably Article 346, allow Member States to avoid requirements around opening up tendering processes to non-national OEMs, if they choose. However, clauses in the Directive are not the sole inhibitors to cross-border market access. Undoubtedly the period of austerity since 2008 has harmed opportunities for cross-border partnership. The trend for OEMs to integrate their supply chains has led inadvertently to the technical risks of contract delivery falling further down the supply chain. This has encouraged a degree of conservatism in procurement as primes seek to partner with companies they are assured can deliver on time and within budget. In an industry where supply chain security pushes the boundaries of security through innovation at an 'affordable' price, the main factors that make suppliers attractive are reliability, cost effectiveness and innovation.

To do
- **Short term:** Encourage 'meet the buyer' events focussed at a cross-border level. Improve the sharing of information on business opportunities.
- **Medium term:** Develop an EU-wide registry of suppliers and buyers to enable buyers to more accurately identify and evaluate suitable suppliers from within the EU that help drive innovation

and manage cost. In the longer-term the registry could be used to help improve the performance of suppliers through adoption of schemes including SC21 in the UK or France's good practices charter.

Work Package-4

Accreditation Registry

Fit for business: A registry offers the opportunity to suppliers to demonstrate to buyers that they are suitable partners. Within the EU context this could open cross-border supply chains as OEMs will be able to swiftly identify validated and relevant information on suitable supply chain partners.

The baseline must not be the lowest common denominator: There is temptation to establish common criteria that set only a minimum standard. Although this might aid acceptance in the short-term (reducing the burden on members to join, for example) in the longer-term it will hinder acceptance by buyers (who will not see ultimate value in identifying suppliers with only the minimum qualification, for example). EDA has the opportunity to drive standards in the industry through the register.

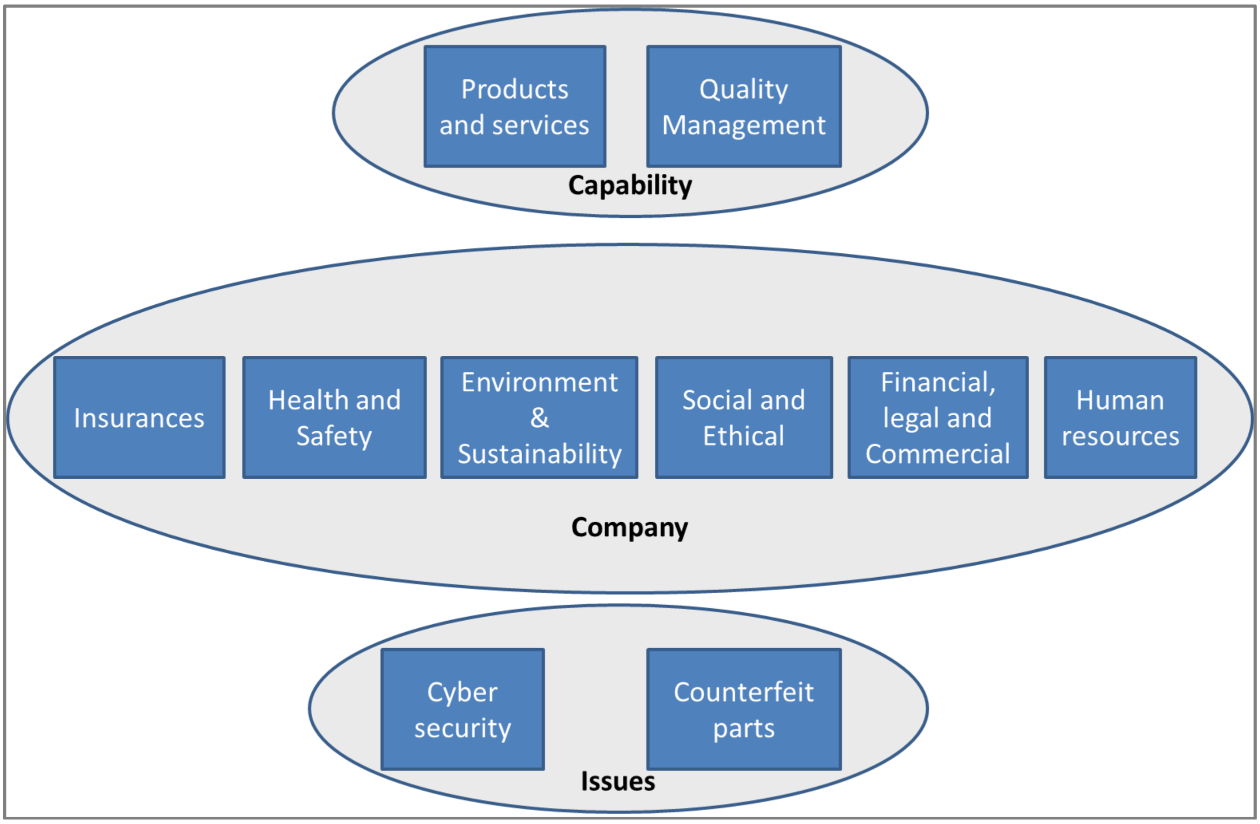

Figure 7: Common criteria would need to form around three core areas: the capability the supplier has and how it manages quality; the company and its compliances; and specific issues inlcuding, for example, syber security. Source: IHS.

Takeaways

There are few barriers to an EU-wide registry of defence economic operators that cannot be resolved through an appropriately resourced system. The key issue is to establish the credibility of the system; not simply the veracity of the data contained within it but the process of registering and selecting suppliers can drive innovation and manage costs for buyers.

To do

- **Short term:** Launching an EU-wide registry will not ensure success. Rather the development of the system's success is reliant on careful and patient collaboration with primes. Securing their buy-in will encourage their suppliers to adopt the system. For buyers, the registry will reduce costs associated with procurement while it will enable suppliers to demonstrate they are 'fit for business'.
- **Medium term:** In the medium-term the registry affords the EDA to implement stewardship of the European defence supply chain. Metadata associated with the registry (for example, what cyber security standards do the majority of Tier 4 firms hold) could be used to encourage all suppliers to adhere to certain accreditations and best practices.

Work Package-5

In conclusion of this study, IHS has identified multiple areas of consideration for the EDA to explore and potentially implement in alignment of its stipulated priority action areas in implementation of the SCAP objectives.

A summary of the main recommendations is presented below:

Supply Chain Analysis: SWOT, Typology, Cartography and Catalogue	• Establish ongoing mechanisms to collate and update information on the current and evolving state of the European defence supply chains. • Encourage higher transparency through increased information sharing and common policy standards encouraging collaboration across the European defence supply chains. • Leverage competitive advantages of the European defence supply chins from its presence in adjacent markets to drive innovation, cost efficiencies and exports. • Support member states to achieve responsive and minimal bureaucracy best practices for gaining decision and implementation efficiencies.
Collaborative Platforms: B2B Matchmaking, DSCN, EDIS and DPG	• Expand information initiatives to include opportunities beyond national and European borders- going global. • Enable all types (Large, Medium and Small enterprises) to access and share information easily with effective design and implementation of tools such as the DPG. • Draw an inclusive roadmap of priorities and themes across the varied groups (and underlying interests) by taking inputs from small to large member states as well as industry participants. • Create opportunities for industry tiers and member states to promote, collaborate and engage with relevant participants across the breadth and depth of the European defence supply chains through ongoing initiatives such as the B2B Matchmaking events, DSCN and the EDIS.
Enhanced Collaboration: Cross-border Market Access and Funding Mechanisms, and Accreditation Registry	• Encourage industry stakeholders to open supply chains and increase collaboration beyond national borders with an aim to enhance competitiveness within and outside Europe.

- Facilitate stakeholders, member states and industry, to draw out policies and processes based on best practices driving diversification and fairness in supply chain.
- Provision information requirements such that it drives transparency and credibility (assurance) for supply chain decision makers.
- Incentivise cross border partnerships and collaborations through policies and processes allowing for transparent acquisition of supply chain- Buyer to Suppliers and within Suppliers (sub-contracting).
- Establish mechanisms to allow collation of relevant information for vetting and validation of the European defence supply chain participants.