



EUROPEAN
DEFENCE
AGENCY

ANNUAL REPORT 2013



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More information on the European Defence Agency is available at: www.eda.europa.eu

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«I would say there are three cases for security and defence. The first is political, and it concerns fulfilling Europe's ambitions on the world stage. The second is operational: ensuring that Europe has the right military capabilities to be able to act. And the third is economic: here it's about jobs, innovation and growth».

Catherine ASHTON
High Representative and Head of the Agency
Speech at the EDA Annual Conference,
Brussels, 21 March 2013





WELCOME WORD

2013 was marked by the European Council in December where Heads of State and Government discussed defence topics. In the run-up, I was often asked about the Agency's expectations. Clearly, the direct involvement of Heads of State and Government on defence issues in an European framework is a success in itself. The outcome was also substantive.

Significantly, they agreed to assess progress in June 2015. Regular scrutiny by Heads of State and Government will ensure that the new dynamic in European defence matters will be maintained and further developed. It should also ensure that priority is given to defence cooperation in national decision making processes.

The European Union is expected to be a security provider, not least so by European citizens. As such, it requires the full suite of tools: diplomatic, economic, development and of course military. The European Council made some concrete decisions on major capability programmes for Remotely Piloted Aircraft Systems, Air-to-Air Refuelling,



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cyber defence and satellite communications. It also underlined the importance of European defence industry, which depends on European programmes to thrive. And finally, Heads of State and Government acknowledged the necessity of cooperation and tasked EDA to work on concrete incentives and a cooperation policy framework.

While the European Council was a strong driver of the Agency's work in 2013, this was not at the expense of other agreed priorities. The Pooling & Sharing initiatives made good progress; new activities, notably on certification, standardisation and European Structural Funds for dual-use research projects, gained further momentum. EDA is now the focal point of the European Commission for the military in SESAR, coordinating closely with NATO and Eurocontrol, in order to ensure that the military views are well reflected.

We intensified collaboration with external stakeholders. Croatia joined the European Defence Agency as its 27th Member State, an Administrative Arrangement was signed

with Serbia. Enhanced cooperation with the European Aviation Safety Agency and Eurocontrol was put in place.

The Agency published its first assessment of the implementation of the Code of Conduct on Pooling & Sharing giving Member States an overview of the status of defence cooperation in Europe.

Internally, the Agency was restructured in order to better support Member States in a rapidly evolving environment. The new structure with three operational directorates - Cooperation Planning & Support; Capability, Armaments & Technology; and European Synergies & Innovation – was in place as of 1 January 2014.

Claude-France ARNOULD
Chief Executive of the European Defence Agency



1) OVERVIEW 2013

1.2. POOLING & SHARING

The European Defence Agency pursues effective output-oriented European cooperation in order to improve the defence capabilities of participating Member States. The underlying principle is cost-effective cooperation, with a focus on Pooling & Sharing.

The financial crisis continues to have an impact on many national defence budgets. As a way to mitigate this, the Agency pursues Pooling & Sharing through: identifying and supporting cooperative projects and programmes; addressing civil-military synergies; promoting best practice; and working with industry.

In November 2012, Defence Ministers signed the Agency's Code of Conduct on Pooling & Sharing aiming at a more systematic approach towards defence cooperation. The actions therein are aimed at mainstreaming Pooling & Sharing in Member States planning and decision-making processes, and are to be implemented on a national and voluntary basis, in line with defence policies of Member States.

In November 2013 the Agency submitted to Defence Ministers its first annual assessment of the national implementation of the Code of Conduct on Pooling & Sharing, as a vehicle for supporting it on a more systematic, longer-term basis.



CODE OF CONDUCT ON POOLING & SHARING

A More Systematic Approach Towards Defence Cooperation

PLANNING:
Systematically consider cooperation from the outset of a capability

INVESTMENT:
Better protect P&S projects from budget cuts.

COHERENCE:
EDA's role to avoid gaps, duplication and to share expertise contributing to transparency.

ASSESSMENT:
EDA submits annual assessment of defence cooperation.

1.2. KEY CAPABILITY PROGRAMMES

At the December 2013 European Council, Heads of State and Government gave their blessing to four key European capability programmes in the areas of Remotely Piloted Aircraft Systems (RPAS), Satellite Communications, Air-to-Air Refuelling, and Cyber Defence:

AIR-TO-AIR REFUELLING

Air-to-Air Refuelling (AAR) is a critical enabler for air power projection and it is required to enable sustained air combat operations. Successive operations have demonstrated a European capability deficit in this area. EDA has developed a global approach with three objectives: increase overall capacity; reduce fragmentation of the fleet; and optimise the use of assets. The Agency, together with the Member States, is engaged in four work strands to fill this capability gap, of which the most important is the acquisition of a European strategic Multi-Role Tanker Transport (MRTT) capability from 2020. This builds on the Letter of Intent signed by nine Member States (Belgium, Greece, Spain, France, Hungary, Luxembourg, Poland, Portugal the Netherlands) and Norway at the Steering Board in November 2012. Work is led by the Netherlands. Synergies with other on-going national programmes are key to maximise efficiency: France is offering support from its own planned acquisitions, the UK Voyager is also an important contribution to this capability. In September, the first European-wide collective AAR clearance trial for Italy's Boeing KC-767 military aerial refuelling and strategic tanker aircraft was organised with French and Swedish participation; other similar clearance campaigns will follow.



REMOTELY PILOTED AIRCRAFT SYSTEMS (RPAS)

RPAS have proven their value in the military sphere in recent operations demonstrating their operational capacities, particularly for surveillance and information gathering. Defence Ministers endorsed a roadmap on RPAS which aims at laying the foundations for a European solution in the 2020-2025 timeframe. The roadmap includes four actions:

- **RPAS Certification.** In the context of the Military Airworthiness Forum, the Agency is working with national authorities and the European Aviation Safety Agency to streamline the certification process for military RPAS at the European level.
- Signature of a **Joint Investment Programme** on RPAS for Air Traffic Insertion. The programme will focus on technological priorities such as sense-and-avoid, taxi, automatic take-off and landing, air traffic management interfaces, safe automated monitoring and decision architecture. These demonstration projects will be complementary to the activities of the European Commission in support of RPAS in order to seek synergies. Eight Member States (Austria, Belgium, Czech Republic, Germany, Spain, France, Italy and the United Kingdom) signed the programme during the Steering Board of 19 November 2013.
- **Future European RPAS MALE Programme.** Defence Ministers endorsed the Common Staff Target for Medium Altitude Long Endurance (MALE) RPAS as the basis for those Member States which intend to participate in any future project to develop a Common Staff Requirement; in this context Ministers tasked EDA to prepare the launch of a collaborative project.
- **Establishment of a MALE RPAS community.** The objective is to exchange information and identify and facilitate cooperation among Member States that currently operate or plan to operate RPAS. At the Steering Board meeting on 19 November 2013 seven Member States (France, Germany, Greece, Spain, Italy, the Netherlands and Poland) signed a Letter of Intent to join the Community.



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GOVERNMENTAL SATELLITE COMMUNICATIONS

Satellites have become indispensable for defence, security, humanitarian, emergency response and diplomatic communications. They are a key enabler for civil and military missions/operations in particular in remote and austere environments with little or no infrastructure. Additionally, there is strong potential for a dual-use cooperative approach.

The objective of EDA's proposal for Governmental Satellite Communications (GOVSATCOM) is to prepare the next generation in the 2025 timeframe. In close cooperation with Member States, the European Commission and the European Space Agency, the programme includes (i)

identifying and producing Common Staff Targets for future mission requirements; (ii) on this basis, undertake a gap analysis and an updated Strategic Research Agenda; (iii) coordinating civil and military requirements; and (iv) preparing a Category B project for Member States interested in due course.

CYBER DEFENCE

On Cyber Defence, EDA was tasked to develop, in close coordination with Member States, the European External Action Service (EEAS) and the European Commission, a comprehensive roadmap for strengthening Cyber Defence Capabilities. Based on the work already commenced by EDA, the main elements of the roadmap are training, improving cyber situational awareness, improving civil/military cooperation, the protection of EU assets during missions and operations and technological aspects.

In view of exploring new opportunities, and to avoid duplication of effort, the Agency has also established liaison with the Cooperative Cyber Defence Centre of Excellence

in Tallinn. Research and Innovation for Cyber Security and Cyber Defence is a significant element in the EU Cyber Security Strategy. Defence research efforts focus on specific areas identified in a Research Agenda and Roadmap covering the next ten years, taking into account the security and civil research projects of the European Commission and the European Space Agency. Cryptography and technology supply chains are considered of high importance.

1.3. COOPERATIVE PROJECTS

The updated Capability Development Plan, approved by the Steering Board in March 2011, provides the framework for addressing capability priorities and for guiding the definition of capability requirements that could be met through collaborative projects and programmes. It also informs national defence planning. Work on its revision is on track to be completed in 2014.

Member States have committed to new cooperative capability projects and are making progress in established collaborations, for example:

- **The Counter-IED** laboratory was deployed in Afghanistan for operations within ISAF until end of 2013. The laboratory was a major success: it was fully integrated into the C-IED effort in Afghanistan and was vital for ISAF. Building on this, work has commenced on a follow-on project for a Joint Deployable Exploitation Analysis Laboratory, led by the Netherlands.
- **Helicopter Availability:** Initially intended as a way to improve helicopter availability for operations by preparation training during live exercises, it now includes a synthetic based helicopter tactics course; a helicopter



tactics instructor training course, with 20 courses delivered so far; an operational English training course; basic helicopter training harmonisation; NH90 technical interoperability; and operational test & evaluation. To date 149 helicopters, 279 crews, and over 8850 personnel have participated in six live exercises conducted within the framework of the EDA Helicopter Exercise Programme in France, Spain, Italy, Portugal and Belgium. Since its launch in 2009, over a thousand aircrew from 18 Member States have taken part in one or more EDA training activities.

- **Multinational Modular Medical Units** (Medical Field Hospitals) has attracted new participants: sixteen Member States have signed the Declaration of Intent. The Common Staff Target has been finalised and agreed. On 8 October 2013 the Steering Board approved the establishment of the EDA "Multinational Modular Medical Unit" collaborative project. The Memorandum of Understanding and Common Requirements will follow, with the objective of procurement of assets in 2014 and Initial Operational Capability in 2015.

In addition, an EDA coordinated Ad Hoc Working Group on Multinational Medical Evacuation was established in November 2013. Several Member States and other institutions are joining this new activity with the objective of identifying practical Pooling & Sharing solutions.

- **European Satellite Communications Procurement Cell** (ESCPG) is operational and has been used several times by the eight participating Member States (Belgium, Finland, France, Italy, Luxembourg, Poland, Romania and the United Kingdom) on a pay-per-use basis. A further eight have expressed an interest in joining. The Agency is also investigating the conditions under which EU actors such as the Commission or the EEAS could


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make use of the Cell. The ESCPG is a building block for the Agency's initiative on a future governmental satellite communication capability.

- **European Air Transport Fleet** (EATF) Partnership: The second European Air Transport Training event (EATT2013) took place in Zaragoza, Spain in June with 350 participants and thirteen aircraft from eight nations (Belgium, Czech Republic, France, Germany, Italy, The Netherlands, Spain, Sweden).
- **Maritime Surveillance** (MARSUR): the live network is active and membership continues to increase. The next step is a technical evolution to enhance services with the addition of a classified information handling capability. Cooperation with the European Commission's Common Information Sharing Environment (CISE) initiative is ongoing.

POOLING & SHARING ENABLERS:

- In 2013, the Agency adopted a more holistic approach to **energy and environmental issues** through the development of a comprehensive programme approach. The new approach brings together activities previously conducted under Military Green and the European Armed Forces GO GREEN Project together with new initiatives on energy efficiency conducted jointly with the European Commission.

European Armed Forces GO GREEN: The pilot project to capitalise on armed forces land and buildings for the production of solar power with subsequent sharing of benefits through a collaborative arrangement, has progressed through a Competitive Dialogue procurement process and now includes contributions from 6 member states: Austria, Cyprus, Czech Republic, Germany, Greece and Luxembourg.

- **Pooling Demand:** A five-year Framework Contract, with a possible two-year renewal, was concluded for the Czech Republic, Estonia, Latvia, Lithuania and Poland to jointly procure Carl Gustav ammunition.

1.4. PREPARING THE FUTURE

R&T programmes have been expanded into new capability priority areas, including protection against Chemical, Biological, Radiological and Nuclear (CBRN) threats. The R&T programme on CBRN protection, in which Member States have invested €12m, is focusing on next-generation capabilities and is coordinated with the European Commission under the European Framework Cooperation. The Programme Arrangement was signed in March 2012. Seven projects on detection, CBRN sample handing, and Modelling & Simulation, have been selected under the



first call for proposals, in coordination with civil activities within the Framework Programme 7 Security Programme. Contracts for almost all these projects were let in 2013. The second call for proposals on personal and collective protection, CBRN sensor networking and decontamination was launched in summer: the selection of proposals was done at the end of 2013.

The two Joint Investment Programmes - Force Protection, and Innovative Concepts and Emerging Technologies – were finalised. Results have been disseminated during the EDA R&T conference in Athens in December 2013. A second Joint Investment Programme on Innovative Concepts and Emerging Technologies was established in March 2012, with a total investment of €5.2m. Eight topics were identified into technologies ranging from Artificial Intelligence systems to New Human & Systems concepts for cooperative working.

The R&T programme on Unmanned Maritime Systems consists of fifteen projects involving eleven Member States

and Norway, with a total investment of €56m. This multi-disciplinary approach facilitates the transition from an R&T programme to the development phase through a system-of-systems approach including interoperability, modularity, and inter-changeability of modules and standardisation.

A number of initiatives are under way on Radiofrequency Sensors to increase the maturity of technologies applicable to RPAS payloads and address the challenges of spectrum scarcity for future Radar Systems. Further new Joint Investment initiatives are being prepared on Counter-IED and Intelligence, Surveillance and Reconnaissance (ISR) and in urban environments.

1.5. CROSS-CUTTING ACTIVITIES

The Agency is pursuing further **standardisation** in the areas of ammunition qualification (for which a roadmap of actions is being implemented), diplomatic clearances for military transport aircraft, and clearances of tankers/receivers with a view to delivering efficiencies and economies of scale. In June, the web-based diplomatic clearances portal for military transport aircraft was launched. The portal implements the technical arrangement signed by thirteen Member States (Belgium, Bulgaria, Cyprus, Czech Republic, Germany, Greece, Italy, Lithuania, the Netherlands, Romania, Slovakia, Sweden and Norway) for common provisions and harmonised procedures for overflights and landings. The arrangement enables Member States to operate without the need to submit diplomatic clearances requests for each flight, including support to on-going operations and transportation of IATA/ICAO compliant dangerous goods.

Through the **Military Airworthiness Authorities (MAWA) Forum** (chaired by the EDA), the Military Airworthiness



Authorities (MAAs) of the Member States have made significant progress with harmonising their requirements for the certification of military aircraft and the technical, training and personnel licencing aspects of 'in-service' maintenance support. This activity will pave the way for MAAs to recognise each other's activities, which will deliver time- and cost-reductions to the aircraft certification process and will create opportunities for savings within the maintenance environment. Additionally, it will allow the potential pooling of multinational maintenance activities to support operations. The European Military Airworthiness Requirements approved by the Member States must be implemented into national regulations - they will be used for the in-service support of the A400M where they will yield considerable financial and operational benefits.

Single European Sky ATM Research (SESAR). The Agency facilitates the coordination of the military views on SESAR, focusing now on the deployment phase, with a view to ensuring that military interests are well considered by the European Commission. The Agency sponsors the SES/

SESAR Military Implementation Forum that brings together Member States, NATO, Eurocontrol, the European Commission and the SESAR Joint Undertaking, and is yielding significant results. It is promoting an understanding of the financial and operational implications on the military community of the forthcoming deployment of SESAR. At their request, Member States also discuss SESAR in an Ad Hoc Working Group within the EDA framework. At the April 2013 Steering Board ministers approved the launch of the SESAR Category A programme to support the Agency's work on SESAR. The SESAR Cell has been operational since March 2014.

1.6. INDUSTRY

Support to Small and Medium Enterprises (SMEs) has been enhanced by a specific Action Plan approved by the Steering Board in March 2013. The implementation of this Action Plan focuses, among others, on exploiting synergies with the initiatives of the European Commission taking into account its Communication on the European Defence and Security Sector adopted in July 2013.

Against the background of increasingly constrained defence budgets in Europe and growing competition in the global defence market, it is important to mobilise the different tools that Member States and the EU have at their disposal:

- In 2013 the Agency launched an initiative on the use of **European Structural Funds** (ESF), in line with the European Commission's current criteria and funding limits, to support dual-use research and innovation projects. The main objectives of EDA's work on ESF are to raise awareness among Ministries of Defence and defence industry as regards the use of ESF. EDA has

organised a series of dedicated workshops in different countries to identify and support eligible pilot projects in R&T and industrial capabilities for the European Structural Funds; and develop a methodology to be used by the Ministries of Defence to enhance the eligibility of future projects.

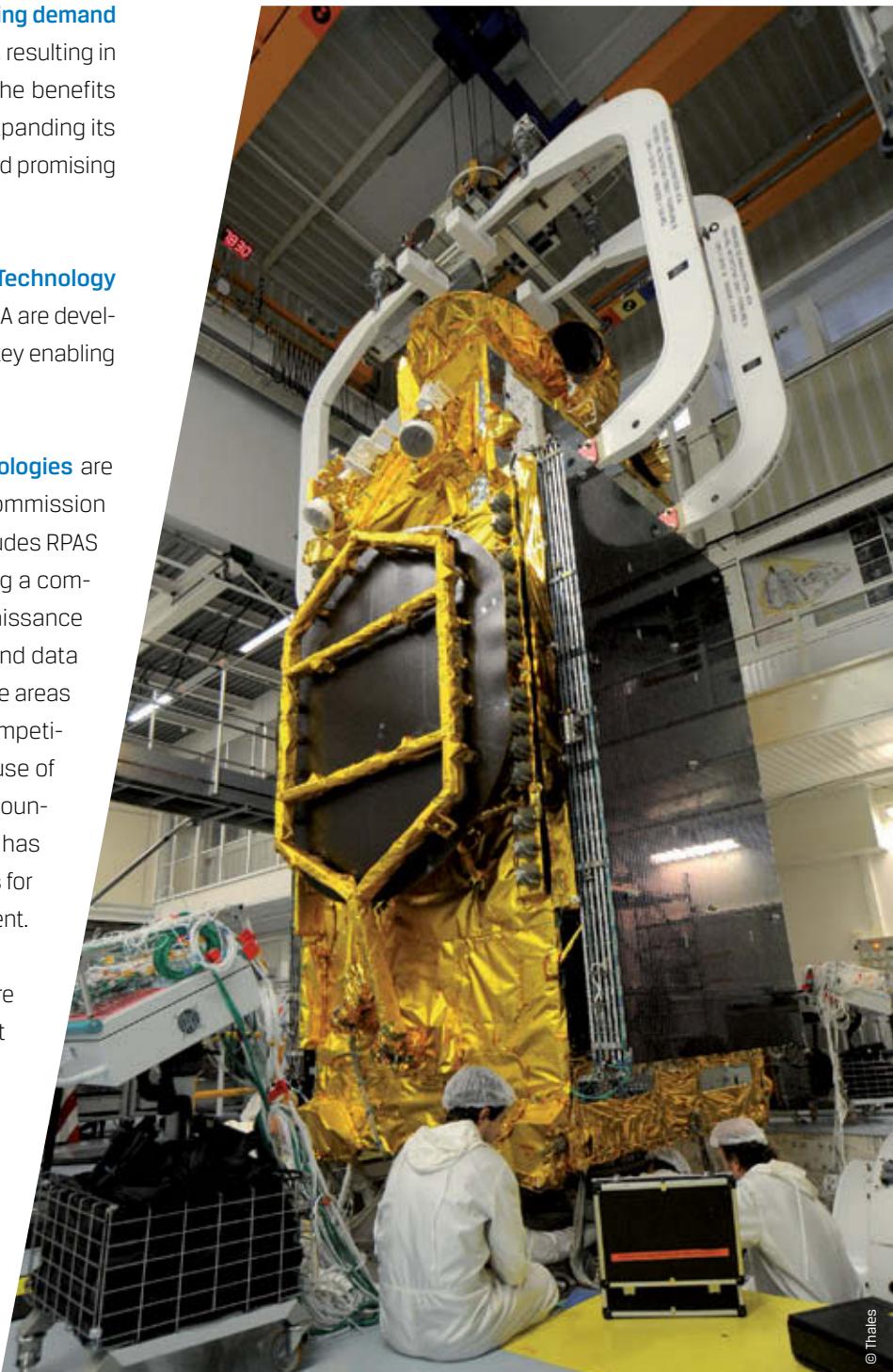
In terms of concrete support to projects, twelve Member States submitted 72 proposals. Seven pilot projects were selected (from Bulgaria, Poland, Germany, Portugal, France, UK and Spain) and actively supported. Of these, two have been successfully submitted by the project holders to the national managing authorities. Both were announced as eligible, with one already attracting 60% co-funding from ESF, while the rest will be submitted during the new financial framework 2014-2020.

- The Agency is supporting Member States with the implementation of the **Defence and Security Procurement Directive 2009/81/EC**. The Agency has also commenced a review of its market-related initiatives, resulting in the closure of the Electronic Bulletin Board and the development of the **Defence Procurement Gateway**, an internet-based platform to ease access to defence procurement-related information, including business opportunities, and to improve transparency in the European Defence Equipment Market.
- To facilitate increased cross-border contracting and Pooling & Sharing among Member States, the Agency has further developed its **Framework Arrangement for Security of Supply**. In addition, it continues to address, among others, key strategic activities and technologies, export and transfer procedures as well as skills and competences, all being important contributing factors to Security of Supply.

- The Agency has also used its tools for **pooling demand** particularly for off-the-shelf procurements, resulting in a number of pilot cases and confirming the benefits of a pooled approach. In view of further expanding its work in this domain the Agency has explored promising new areas for pooling of demand.
- The Agency also focuses on **European Technology non-Dependence**. The Commission and EDA are developing strategies respectively for assuring key enabling technologies and critical technologies.

Activities related to **critical space technologies** are being coordinated with the European Commission and the European Space Agency. This includes RPAS technologies: over half the cost of building a complex intelligence, surveillance and reconnaissance RPAS is related to sensing technologies and data exploitation capabilities. Excellence in these areas will be necessary for future industrial competitiveness in the global marketplace. Because of Europe's potential dependence on third-country suppliers for such technologies, EDA has launched work to identify the priority areas for future technological and industrial investment.

Results of the **Future Lands System** study were published in March 2013 which confirmed that the sector was more fragmented and less consolidated than the air and naval sectors. Based on the analysis, the Agency identified distinct areas for prioritised common actions on European demonstrator programmes, on key enabling technologies and technologies of dual nature as well as on further activities to support and strengthen the land related EDTIB.



2> KEY DEVELOPMENTS 2013



2.1. EUROPEAN COUNCIL DECEMBER 2013

2013 was marked by intense preparations of the European Council in December 2013. The European Defence Agency contributed to the Final Report on Common Security and Defence Policy (CSDP) by Catherine Ashton which outlined the Head of Agency's proposals and actions to further strengthen the Union's CSDP.

In the European Council Conclusions, Heads of State and Government highlighted the importance of an effective CSDP for the security of European citizens, peace and stability in our neighbourhood as well as in the wider world. They also underlined that Europe needs strong military capabilities and a healthy, innovative and competitive European Defence Technological and Industrial Base.

The tasks set by Heads of State and Government for the European Defence Agency are substantive. In terms of capability development, the Agency received support for four key programmes: Remotely Piloted Aircraft Systems (RPAS), Air-to-Air Refuelling, Satellite Communications and Cyber Defence (see page 8).

The Council called for a more systematic and long-term approach to cooperation through increased transparency and information-sharing in defence planning. In this context, the Agency will continue to assess progress on the implementation of the Code of Conduct on Pooling & Sharing and propose an appropriate policy framework by the end of 2014, as mandated by the European Council. The Agency will also work on the further development of incentives for and innovative approaches to such cooperation, including by investigating non market-distorting fiscal measures in accordance with existing European law. The Agency will also propose ways in which Member States can cooperate more effectively and efficiently in pooled procurement initiatives.

Heads of State and Government made clear that a strong European defence needs to be underpinned by a healthy defence industry. The timely implementation of the four capability programmes will help in this context. Additionally, EDA will increase its cooperation with the European Commission in order to maximise access for Member

EDA received support for four key programmes: Remotely Piloted Aircraft Systems (RPAS), Air-to-Air Refuelling, Satellite Communications and Cyber Defence

States to existing EU instruments particularly in the field of dual-use research. The Council acknowledged the importance of SMEs for the defence supply chain, as a source of innovation and a key enabler for competitiveness; by implementing its Action Plan on SMEs, EDA actively supports defence SMEs in their interactions with the European Commission and its existing instruments, improves information sharing about business opportunities, and enhances defence SME market conditions.

EDA's enhanced Framework Arrangement on Security of Supply is an important tool for the development of long-term planning and cooperation, and for the functioning of the internal market for defence. EDA will use the experience gained in supporting Member States and

industry in improving cross-border cooperation, associated measures and tools to assist the European Commission in developing a roadmap for a comprehensive EU-wide Security of Supply regime.

The European Council also called for standards and certification procedures for defence equipment to reduce costs, harmonise demand and enhance interoperability. EDA and the Commission are tasked to prepare a roadmap by mid-2014 for the development of defence industrial standards. Building on the work of EDA's Military Airworthiness Forum, which has already produced a series of harmonised military airworthiness requirements, the Agency – together with the Commission and Member States – will develop options for lowering the costs of military certification, including by increasing mutual recognition between EU Member States (see page 13).

2.2. EDA REORGANISATION

The Agency reorganised its internal set-up to better support Member States in a rapidly evolving environment. As of 1 January 2014, EDA is organised in three operational directorates: Cooperation Planning & Support; Capability, Armaments & Technology; and European Synergies & Innovation. This will facilitate prioritisation of tasks and improve operational output in particular on key activities such as Air-to-Air Refuelling, Remotely Piloted Aircraft Systems, Satellite Communications, Airworthiness, Certification, SESAR, and Energy & Environment.

The defence and security environment is evolving rapidly. Defence cuts are leading to greater cooperation on programmes. In addition, many wider EU policies such as Single European Sky or Radio Spectrum have major implications for the defence community. The overall objective

As of 1 January 2014, EDA is organised in three operational directorates: Cooperation Planning & Support; Capability, Armaments & Technology; and European Synergies & Innovation.

of the restructuring is to ensure that the Agency is properly equipped to: anticipate and react to developments; improve its operational output; facilitate the prioritisation of tasks; and serve the needs, expectations and interests of Member States effectively and efficiently.

COOPERATION PLANNING & SUPPORT

The Cooperation Planning & Support directorate focuses on the early identification of requirements at European level and the through-life aspect of capabilities. It is responsible for capability planning through the Capability Development Plan and the Cooperative Programme Database; Pooling & Sharing including the Code of Conduct. It deals with Defence & Industry analysis to complement the identification and development of capability demands. The directorate is also responsible for key enablers to support defence cooperation and enhance interoperability: military airworthiness, standardisation and certification, and education and training. In addition, it supports CSDP operations and EU Battlegroups at the request of Member States.


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CAPABILITY, ARMAMENTS & TECHNOLOGY

The Capability, Armaments & Technology directorate prepares the programmes of tomorrow by maximising synergies between capabilities, armaments and Research & Technology. The directorate brings together the Agency's work in the areas of: Information Superiority (Communication & Information Systems, Surveillance & Reconnaissance, Space, Cyber Defence); Air (Remotely Piloted Aircraft Systems, Air-to-Air Refuelling, airlift and aerial systems technologies); Land (Counter-IED, armoured systems, camp protection and land systems technologies); Maritime (Maritime Surveillance, Mine Counter Measures and naval systems technologies); and the Joint domain (mobility, transport, medical and ammunition). Particular attention is given to identifying future Critical Defence Technologies needed to support military capabilities.

EUROPEAN SYNERGIES & INNOVATION

This directorate facilitates interaction between defence ministries and wider EU policies that have implications

for defence. Its main tasks are to promote and support technology insertion through innovative research in areas such as: Components, Radio-Frequency & Optical Sensors, Materials and Structures, Energy, and CBRN protection. It develops synergies and greater complementarity with EU programmes such as Horizon 2020 and European Structural Funds. The directorate is also the Agency's focal point on Space Policy, on which it has a close dialogue with the Commission and the European Space Agency. It is responsible for Market & Industry policy, including SMEs, Security of Supply, the REACH regulation, market efficiency and global aspects of the defence market. The directorate also deals with the military dimension of the Single European Sky, with a particular emphasis on the SESAR deployment phase, as well as the Agency's activities in the areas of Green Energy.

2.3. EDA TOP MANAGEMENT

Following a recommendation by Catherine Ashton, Head of the European Defence Agency, the Steering Board unanimously decided to extend the mandate of Claude-France Arnould as Chief Executive for one year until 15 January 2015. Claude-France Arnould took up this position at the EDA in January 2011 with an initial mandate of three years.

The EDA Steering Board appointed Rini Goos as Deputy Chief Executive of the Agency. Rini Goos took up his duties on 18 March 2013.

3> WORKING WITH OTHERS

3.1. CROATIA JOINS EUROPEAN DEFENCE AGENCY

With the accession of the Republic of **Croatia** to the European Union on 1 July 2013 and following the formal endorsement of the Agency's Steering Board, the European Defence Agency welcomed Croatia as its 27th participating Member State (all EU Member States except Denmark). The areas of maritime surveillance, naval research & technology and support to Croatia's technological and industrial base were identified as initial topics of interest.

3.2. INTERACTION WITH STAKEHOLDERS

The Agency is reinforcing its relations with third parties: an Administrative Arrangement with **Serbia** was signed in December 2013. It enables Serbia to participate in EDA's projects and programmes. Cooperation with **Norway**, through its own Administrative Arrangement signed in 2006, continues to be mutually beneficial: in 2013, in addition to contributing to several projects and programmes such as the acquisition of multi-role tanker transport aircraft, Norway joined EDA's Collaborative Database. The Framework for Cooperation with **Switzerland**, concluded in 2012, is facilitating Swiss participation in the Agency's projects and programmes.

The Administrative Arrangement with the **European Space Agency**, which was signed in 2011, has helped improve synergies regarding space-related technologies and will also support future work on governmental satellite communications capabilities. Beyond the coordination of studies in areas such as satellite communications or Earth observation, a first Implementing Arrangement was

signed in December 2011 on a jointly funded demonstrator on RPAS and a second for a follow-up demonstration in February 2014. ESA will further contribute to efforts in the domain of ISR and cyber security in space.


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The Arrangement with **OCCAR**, also concluded in 2012, enables support to Member States' collaborative programmes through their life-cycle. In the priority area of Air-to-Air Refuelling, OCCAR is supporting the contributing States as the management organisation for acquisition of multi-role tanker transport aircraft.

In June, EDA and the **European Aviation Safety Agency** signed an arrangement for enhanced cooperation between the two agencies. The arrangement specifically covers the harmonisation of military aviation safety requirements with a primary focus on airworthiness, including RPAS.

The Agency continues to ensure complementary and mutually-reinforcing capability development with **NATO**, in particular with Allied Command Transformation (ACT), in a spirit of transparency and reciprocity. Further progress has been achieved in coordinating activities in a number of areas of common interest, such as with NATO Communications and Information Agency (NCIA) and NATO Support Agency (NSPA). Active contacts with the NATO International Staff are taking place, including on NATO's interest in wider EU policy areas such as Single European Sky and energy. The Agency contributes to the work of the EU-NATO Capability Group. Contacts with NATO remain important, notably on Pooling & Sharing and NATO activities within the framework of "Smart Defence".

The informal dialogue with the **United States** further develops, with a focus on synergies between Pooling & Sharing and related initiatives, and policy issues such as export controls and implications of the EU regulatory framework on defence.

3.3. EDA ANNUAL CONFERENCE 2013

400 key decision makers from the European Union defence community, including Member States, European institutions, research bodies, think-tanks, industry and the media, along with 17 high-level speakers, met at the annual conference of the European Defence Agency "European Defence Matters" on 21 March 2013.

Keynote speakers included Herman Van Rompuy, President of the European Council, Catherine Ashton, Head of the



EDA, Alan Shatter TD, Irish Minister for Justice, Equality and Defence representing the EU Presidency and Claude-France Arnould, Chief Executive of the EDA.

Three sessions – 'Lessons from defence cooperation', 'Looking ahead: setting the longer-term goals for European defence cooperation' and 'European defence cooperation: concrete steps for the next year' framed the debates on what needed to be done by European governments to meet their capability targets and preserve strategic defence technology know-how in Europe.

The event triggered intense debate from panel members and the floor concerning the many challenges Europe's politicians face.

4) KEY FACTS

EDA in 2013

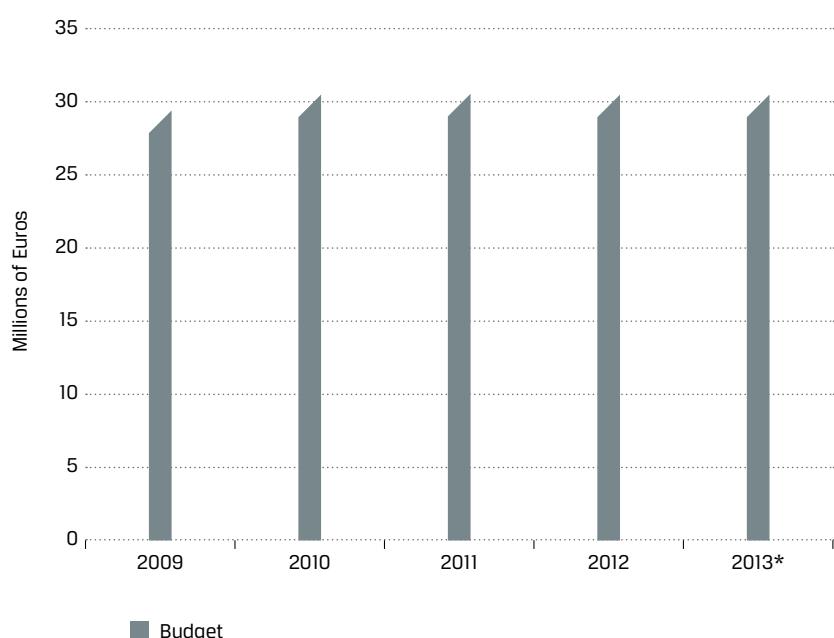
Budget **30,53 M€**

Staff **124**

Budget ad-hoc A and B projects (signed in 2013):

- Cat A: 12 contracts, **12,587 M€**
- Cat B: 20 contracts, **32,368 M€**

Budget historical overview



* Figures for 2013 are provisional



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