



## SHARING OF SPARE PARTS (SOSP) - A LIFELINE FOR LOGISTICAL SUPPLY CHAIN GAPS

Spare parts management for equipment and weapons systems has been a recurrent challenge for armed forces, especially during missions and exercises. Costly, time consuming and labour intensive, the acquisition and shipping of spare parts constitutes a major hurdle to supply chain efficiency. With EDA's Sharing of Spare Parts Project, the Agency has created a simplified logistics system that tackles these issues and fosters cooperation.

### Making an Impact since 2015

The Sharing of Spare Parts Category B Project - **CAT B SoSP** - was signed in 2015 by 11 EDA Member States (Belgium, Cyprus, Finland, France, Greece, Portugal, Netherlands, Romania, Slovenia, Spain, Sweden), and Norway, which has an administrative agreement with EDA.

SoSP aims to quickly exchange parts among nations whose inventory is in short supply, or which cannot be immediately purchased from industry. The exchange of services is also included, allowing for example the repair of vehicles by partner Armed Forces.

The SoSP mechanism is applied on a voluntary basis among the 12 participating countries, based on bilateral agreements and a process of service-or-equivalent-value exchange, on a bartering principle, without financial transactions.

Up to 200 spare parts and related services are exchanged under SoSP each year, the majority of which are expensive spare parts and critical to system performance.

### The SoSP Mechanism

SoSP functions as a simplified logistics system, streamlining lengthy bureaucratic processes linked to traditional spare parts management. The SoSP process has just six steps from the request phase to final compensation, supported by an IT application providing the possibility to register the loans and services.

The project was developed specifically for military use, e.g. for daily businesses, or in operational environments, as opposed to formal standard supply procedures. The objective is to ensure the operational readiness of military assets when the standard supply chains face disruption.

The SoSP mechanism offers participating Member States 5 forms of compensation for the lending nation:

### 1. Return exactly the same

The same item which was loaned must be returned in ready to use condition.

### 2. Return in the same kind

An item which was loaned must be returned by an item with the same form, fit, function, and ready for use.

### 3. Balancing

Both parties agree upon the value of the item and subject to a balance process exchange. At the end of the calendar year, both parties must agree on how to proceed with the balance.

### 4. Reimbursement

If reimbursement has been chosen, the amount must be transferred within 60 days after receiving the invoice.

### 5. To Be Determined

Both parties must agree on one of the previous compensation tools to finalise the transaction by the end of the year. In case of a non-agreement, the provider decides the way of compensation.

The entire SoSP process, from request to delivery through the six steps, can be managed by participating member states only. As such, SoSP is a strong alternative "tool in the box" for supply managers to fill operational supply gaps when the standard supply chain management fails.



## Operational Benefits of SoSP

- Sharing Of Spare Parts And Services
- Based On Bartering Principle
- Legal Framework
- Simple Process Handling
- Applicable To All Domains (Air, Land, Sea)
- Free Of Charge
- Mission Tested
- Process Manual Available
- IT-Application Available
- Managed By EDA

## Looking Ahead

Sharing of Spare Parts has gained interest during the last years from other entities; notably, the European Air Transport Command (EATC) recommends SoSP to be used for the "XMaintenance Working Group" for logistic support in Air Transport.

Furthermore, SoSP has historically been used in majority by Member States' Air Forces. Thus, EDA is looking to expand SoSP's focus as a tool-in-the-box for other services, which would be a significant evolution.

The CAT B SoSP Project is active for a period of 10 years, until 2025. Dialogue is ongoing between EDA and participating Member States about extending, or evolving, the CAT B SoSP.

**The renewal of the project presents a host of opportunities for participating Member States.** Notably, as part of the EU's green ambitions, sharing of spare parts helps European militaries reduce their carbon footprint and cut shipping costs by decreasing the amount of spare parts-related transportation.