

## 2024 LONG-TERM REVIEW

### EDA as the intergovernmental Defence Nexus at EU level – *Supporting MoDs along all the steps of the capability development cycle & beyond*

Since the first Long-Term Review of the European Defence Agency (EDA) in 2017, the geopolitical context has dramatically changed, and Europe's security has been deeply undermined. Years of increased strategic competition have culminated in Russia's war of aggression against Ukraine which constitutes a watershed moment. With the return to power politics, the EU is surrounded by instability and conflicts and faces a war on its borders.

High-intensity warfare, as witnessed on Ukraine's battlefields, clearly requires full-spectrum capabilities in an appropriate mix of quality and quantity. When operations become protracted, devolving into attrition, they entail huge costs and consumption rates, putting not only military capabilities but also the defence industrial base that produces and maintains them high on the political agenda. Faster innovation cycles for technologies, coupled with the permanent concern for interoperability and the necessity to ramp up production rates are amongst the most acute challenges that the Ukrainian and the European Defence Technological and Industrial Bases (EDTIB) have been coping with since the war has become more entrenched.

Against this backdrop, the Council has adopted the Strategic Compass for Security and Defence in March 2022, providing a renewed vision for the EU security and defence agenda. Stressing the need for Member States to invest more and better in defence, the Strategic Compass calls for the collaborative development of next-generation capabilities in all operational domains and against the full spectrum of threats, which will also contribute positively to global and transatlantic security and complements NATO. The Agency plays a key role in enabling Member States to bridge defence investment gaps<sup>1</sup> and fulfil this high level of ambition. Enhancing defence readiness and strengthening the EDTIB are also at the core of the recently published Joint Communication from the European Commission and the High Representative on a *European Defence Industrial Strategy* (EDIS).<sup>2</sup>

Faced with this increasingly threatening security environment, Member States have reacted by raising their defence spending, and by appropriating the EU tools and initiatives put in place since 2017 to support defence cooperation (CDP, CARD, PESCO, EDF, EDIRPA).<sup>3</sup> Reflecting these momentous changes, enhancing defence cooperation among Member States has turned into an imperative to deliver effective solutions.

Adjusting to this new reality and the high expectations placed on it by Member States and other EU institutions<sup>4</sup>, EDA has further mainstreamed EU defence tools and initiatives and taken concrete actions. The Agency thus steered the 2023 revision of the EU capability development priorities, agreed by Member States, so that they reflect the full-spectrum of military capabilities and serve as the key

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<sup>1</sup> [Joint Communication on the Defence Investment Gaps Analysis and Way Forward of 18 May 2022 and its annex presenting EDA's "Scoping EU Defence investment gaps"](#).

<sup>2</sup> [Joint Communication on a European Defence Industrial Strategy](#).

<sup>3</sup> Capability Development Plan (CDP), Coordinated Annual Review on Defence (CARD), Permanent Structured Cooperation (PESCO), European Defence Fund (EDF), and European defence industry reinforcement through common procurement act (EDIRPA).

<sup>4</sup> Via European Council and Council conclusions and guidelines, Action Plans, commitments under PESCO and other documents.

reference for EU initiatives, also informing national capability development efforts. EDA has also supported projects initiated by Member States, while expanding its activities in multiple directions, from innovation to military mobility, delivering tangible outcomes, such as the joint procurement of 155mm ammunition. As a result, EDA has become a stronger contributor to the implementation of the Common Security and Defence Policy (CSDP).

Building on its foundation as a prioritisation platform, management support structure, and forum striving for consensus between its Member States, in line with the EDA Council Decision<sup>5</sup> and established procedures, the Agency articulates their defence interests in the EU context, acting as a true intergovernmental defence nexus at EU level. Consequently, Ministers of Defence in the Steering Board decide to reinforce the Agency's core tasks and present them accordingly, to reflect how the Agency can further support them along all the steps of the capability development cycle and beyond.

At this critical juncture for the security of Europe, the EU needs to dramatically step up its security and defence ambitions, as outlined in the Strategic Compass, which calls for the development of innovative capabilities against the full spectrum of threats. As the intergovernmental defence nexus at EU level, the Agency has a key role to play in fulfilling these ambitions. Stemming from the 2024 Long-Term Review, EDA will support Member States along the following five core tasks: (1) identifying shared needs and priorities at EU level, to ensure that EU Member States' armed forces have the capabilities they actually require; (2) enabling collaborative defence research, technology, and innovation, to prepare the future of EU defence; (3) harmonising requirements and engaging in joint capability development, while ensuring interoperability; (4) aggregating demand towards joint procurement to fill capabilities shortfalls; finally (5) interfacing with EU civilian and defence policies and voicing Ministries of Defence's joint positions.

Each of these five core tasks is further elaborated below.

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<sup>5</sup> Council Decision (CFSP) 2015/1835 defining the statute, seat and operational rules of the European Defence Agency.

## EDA'S CORE TASKS

### Core Task 1 – Identifying shared capability needs and priorities at EU level

The capability development cycle starts with the identification of shared needs and priorities reflecting the high level of ambition set out in the Strategic Compass. As armed forces are at the same time the originators of requirements, the planners, and the end-users of capabilities, MoDs must remain firmly in control of this identification process, with EDA, the EU Military Staff (EUMS) and the EU Military Committee (EUMC) as their preeminent support structures in the EU. The only instrument to identify defence capability development priorities at EU level is the Capability Development Plan (CDP), managed by EDA in close cooperation with EUMS, EUMC and Ministries of Defence (MoDs) representatives. Together with the Overarching Strategic Research Agenda (OSRA) and Key Strategic Activities (KSA) – which respectively provide orientations for cooperative Research and Technology (R&T), and a mapping of the European defence industry strengths and weaknesses in selected sectors – the set of capability needs and priorities agreed through the CDP represent the key reference for all EU defence-related initiatives, policies, and legislation, including those targeting the defence industry.

Looking forward, the increasing number of EU tools and initiatives related to defence capabilities makes it crucial that agreed priorities are implemented in a coherent, efficient, and effective manner, so that Member States' armed forces have the capabilities they actually require, now and in the future. As MoDs primary enabler of coherence, EDA is to be involved in all such initiatives, whether existing or yet to come, further bridging with relevant activities undertaken by the Commission, and be empowered to act as a proponent for MoDs agreed priorities.

### Core Task 2 – Enabling collaborative defence research, technology, and innovation

Similarly, Member States' agreed cooperative R&T priorities (OSRA<sup>6</sup>), combined with high general expectations regarding the uptake of dual-use innovation, warrant that R&T and innovation (RT&I) become an EDA core task. With an increased number of Capability Technology Groups (CapTechs) covering relevant technology fields – from military domains to materials to simulation – and a developing stream of activities, EDA remains the preferred platform at EU level for Member States to exchange and collaborate on defence RT&I.

A closer association of EDA to the definition of the EDF work programme and its implementation will generate significant benefits and strengthen overall coherence through the resulting synergies. Entrusting EDA with the indirect management of selected EDF projects confirms both the Agency's role as the management support structure of choice for Member States engaging in cooperative defence R&T but also the fruitful cooperation with the Commission in this area. In addition, the Hub for EU Defence Innovation (HEDI), established in 2022, has already made it possible to deliver concrete outcomes such as the European Defence Innovation Days (showcasing innovative SMEs), innovation prizes, and proofs-of-concepts. With adequate resources along a stepped approach, HEDI will, in synergy with the EU Defence Innovation Scheme (EUDIS) managed by the Commission, deliver demonstrators and experimentation, thus connecting the dots with capability development.

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<sup>6</sup> [Overarching Strategic Research Agenda](#).

### Core Task 3 – Harmonising requirements and engaging in joint capability development

Starting its work on priorities with an in-depth analysis of Member States’ operational needs and long-term plans, EDA is uniquely placed to help Member States further: first by harmonising their requirements in line with the agreed CDP priorities; second by identifying collaborative opportunities through CARD which provides a comprehensive strategic picture based on national plans and strategies; and third by preparing and supporting concrete capability projects on that basis. This core task is at the heart of capability development and represents the *raison d’être* of the Agency, which was created to “promote and coordinate” both the harmonisation of military requirements and cooperative projects. Upon Member States request, EDA may be entrusted with the lead role for the joint development of requirements, and will continue to facilitate PESCO projects implementation.

As capability development goes beyond material aspects, the role of EDA in the harmonisation of requirements and joint development of capabilities extends to all dimensions.<sup>7</sup> Mindful of the imperative of interoperability, and consistent with NATO processes, EDA facilitates the convergence of doctrine and operational procedures, promotes best-practice standards and mutual certification of equipment and personnel qualifications, and supports common training.

As EDA is involved in all dimensions of capability development, this calls for further using the Agency to harmonise requirements, ensure the application of common standards, initiate and support development, while MoDs will decide which framework, whether *ad hoc*, EU or international (e.g. OCCAR<sup>8</sup>), is best suited to take a given project forward and develop it further.

### Core Task 4 – Aggregating demand towards joint procurement

The same logic of ensuring coherence while providing flexibility applies further down to the aggregation of demand and joint procurement. As the Agency that supports Member States from priorities to projects, EDA is the best placed EU entity to aggregate, harmonise, and consolidate demand in a coherent way, and prepare procurement options, analysing possible frameworks, incentives, and supporting mechanisms.

Subject to Member States interest and in line with its legal basis, the Agency can also engage in joint procurement, building on the experience matured so far, especially in the context of the ammunition initiative. Given its limited capacity, notably for engineering activities involving development, testing, and certification, the Agency is at present best equipped to deal with the joint procurement of services – for example to support operations and training, including CSDP missions and operations – or simple off-the-shelf equipment. For more complex or voluminous procurement projects, EDA should provide pre-planning and bridging functions towards national procurement authorities, or international organisations such as OCCAR and NSPA<sup>9</sup>. In the interest of overall coherence at the EU level and beyond, EDA should be the principal forum for interested Member States to decide on the most appropriate, common acquisition option.

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<sup>7</sup> Doctrine, Organisation, Training, Material, Leadership, Personnel, Facilities, Interoperability (DOTMLPFI).

<sup>8</sup> Organisation for Joint Armament Cooperation.

<sup>9</sup> NATO Support and Procurement Agency, in accordance with agreed principles.

The first four core tasks of the Agency reflect the corresponding, indispensable steps of the capability development cycle: identifying shared needs and priorities, engaging in R&T and innovation, harmonising requirements and identifying development options, finally aggregating demand toward joint procurement. In line with the Treaty on European Union, EDA can support MoDs in each of these steps towards the further development and procurement of capabilities, but it can also support the execution of the whole project cycle, including limited off-the-shelf acquisitions, when Member States so decide.

### **Core Task 5 – Interfacing with EU civilian and defence policies & voicing MoDs joint positions**

EDA's support extends beyond capability development, as evidenced by its well-established role in consolidating and promoting MoDs common interests towards EU's civilian or "wider" policies. Since 2017, however, the number of EU actors, policies, and legislation dealing with defence has increased. Therefore, the Agency will need, now more than ever, to act as a facilitator, voicing MoDs joint positions in EU civilian and defence policies in their shaping and implementation, without prejudice to direct contacts of Member States with the Commission.

- Defence expertise is needed to inform various civilian EU policies and Commission-led programmes and initiatives that have a direct or indirect impact on operational activities or on the defence sector. EDA ensures from the outset policy oversight and a timely articulation of the views and concerns of the defence community while working with relevant EU institutions, bodies and agencies (EUIBAs). For example, military involvement in the Single European Sky is critical to military training, operations, and mobility, as well as to aviation safety, thus requiring close cooperation between civil and military stakeholders. Promoting a shared understanding of the legal, technological, and defence challenges involved fosters synergies and benefits all parties. The rapid evolution of technologies and legal frameworks calls for the Agency to continuously monitor, recommend, and where appropriate voice concerns to protect defence interests, from REACH<sup>10</sup> to airworthiness and beyond. This requires EDA to regularly engage with both EUIBAs and the EDTIB.
- Given the complexity and fast development of security and defence policies and related legislation at EU level, enabling overall coherence will be ever more important. EDA will contribute to, and implement, current and future strategies and policies, striving to reflect appropriately MoDs views – this includes the EU Military Mobility Action Plan, EU Policy on cyber defence, EU space strategy for security and defence, or the Joint Communication on the climate-security nexus. As underlined in the European Defence Industrial Strategy, there is also great potential in EDA's deeper and structured engagement with Commission services – linking up EDA's industry-related activities, for instance on security of supply, and EU funded instruments – to better support the EDTIB in providing MoDs required capabilities.

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<sup>10</sup> Registration, Evaluation, Authorisation and Restriction of Chemicals.

## FULLY LEVERAGING SYNERGIES WITH EU STAKEHOLDERS

The Agency will cooperate closely with the relevant EUIBAs to ensure that EU civilian policies appropriately reflect defence needs. EDA will also forge stronger and more structured ties with EEAS and Commission services and contribute its expertise to current and future EU defence initiatives, policies and legislation related to the capability development cycle and beyond.

To voice MoDs joint positions and ensure the coherent alignment of current and future EU defence initiatives, policies, and legislation, EDA will act as a facilitator and, where appropriate, as a balancing actor within the EU.

For EDA to be able to achieve these ambitions, Member States will ensure that the Agency is sufficiently empowered to be meaningfully involved in the Commission's growing activities vis-a-vis the EDTIB.

EDA will further develop, for the benefit of Member States, good cooperation and mutual support with the European External Action Service (EEAS), including the EUMS, and Commission services to prepare, review, and implement current and future EU defence initiatives, policies and legislation, from the Strategic Compass to PESCO.

While further contributing to the EDF, the Agency will support Member States, upon their request, in taking forward other activities undertaken under EDIRPA and ASAP.<sup>11</sup> EDA will also contribute its expertise across the full capability development cycle – as outlined along core tasks one to four – to the Commission's current and future defence initiatives and legislation, mindful of their different scope and legal bases. In the process, the Agency will monitor and ensure that MoDs agreed priorities, harmonised requirements, aggregated demand, and collaborative opportunities identified through CARD, are duly incorporated. EDA will uphold MoDs upstream collaborative efforts and downstream decisions regarding demand and procurement options while participating in any future joint programming and procurement activities within the EU. This should be done in a structured manner and reflected appropriately in the relevant tools.

The Agency will also cooperate with Commission services and other EU Agencies in all relevant activities beyond the capability development cycle, within available resources and under the guidance of MoDs. Accordingly, EDA stands ready to provide its expertise to the consultation mechanism set forth by the Commission on foreign direct investment (FDI) screening as appropriate. EDA will also strive to complement Commission's activities, *i.a.* in the fields of access to finance, circular economy, and renewable energy.

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<sup>11</sup> Act in Support of Ammunition Production.

## DEVELOPING COOPERATION WITH THIRD PARTIES FOR MUTUAL BENEFITS

Looking forward, the Agency's cooperation with third parties will remain founded on added value, mutual benefit, and reciprocity. Under MoDs steering, EDA will strive to expand its cooperation with Ukraine as soon as conditions allow, and will assess the merits of new requests for Administrative Arrangements.

Further reinforcing mutually beneficial cooperation with NATO remains of utmost importance and should be achieved through the conclusion of an arrangement for the exchange of classified information, and an Administrative Arrangement as foreseen in the EDA Council Decision.

In order for the Agency to fulfil its overall mission of supporting defence cooperation among its Member States, as well as the CSDP and defence related initiatives, EDA may enter into cooperation with selected "third parties". To date, the Agency has established tailored cooperative relations with several EU bodies and agencies, multinational organisations as well as with the Ministries of defence of Norway, Switzerland, Serbia, Ukraine and the United States.

Non-EU countries, organisations and entities willing to participate in EDA's activities, projects, and programmes must as a prerequisite establish an Administrative Arrangement with the Agency. Cooperation is developed based on a set of principles agreed by Ministers of Defence in 2021, which provides a robust but flexible framework for the progressive development of cooperation, while ensuring MoDs oversight through an annual review.

Cooperation with third parties will remain steered by MoDs, based on consensus, and tailored to each third party. Similarly, engagement will be based on a selective approach, aimed at ensuring added value, mutual benefits and reciprocity. Accordingly, the Agency will assess through technical consultations<sup>12</sup> the merits of new requests for Administrative Arrangements, and will report back to MoDs to inform their decisions.

Founded on mutual interests, ongoing cooperation with the five MoDs listed above, OCCAR and ESA<sup>13</sup> will further develop whenever agreed. Under the guidance of the Steering Board, EDA will continue ensuring its Administrative Arrangements support MoDs' cooperative efforts and assess how they could be revisited. In this respect, EDA will explore the possible revision of its Administrative Arrangement with the Ukrainian Ministry of Defence as soon as conditions allow.

### Stepping up EDA-NATO cooperation

The Agency is a key contributor to EU-NATO cooperation, which is undertaken under the political umbrella of the three Joint Declarations on EU-NATO cooperation and related common actions, in full respect of the principles of inclusiveness, reciprocity, openness and transparency, , as well as of the decision-making autonomy of both organisations. The objective remains to ensure mutual awareness on respective activities, promote complementarity, and avoid unnecessary duplications.

Cooperation has developed on numerous topics of common interests, from defence planning and capability development across the operational domains, to standardisation, defence research, technology and innovation, and engagement with the defence industry. Regarding defence planning

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<sup>12</sup> In line with SB 2023/086.

<sup>13</sup> European Space Agency.



and capability development, EDA and NATO cooperation should grow further to ensure coherence of output, building on the growing convergence between the NATO Defence Planning Process and the CDP focused on high-intensity requirements – considering that Member States that are also Allies have a single set of forces.

Further reinforcing cooperation with NATO, in particular with relevant Agencies such as NSPA and DIANA<sup>14</sup>, will be beneficial to all. Besides enhancing information sharing through an arrangement for the exchange of classified information, the conclusion of an Administrative Arrangement between EDA and NATO, as identified in the EDA Council Decision<sup>15</sup>, remains a clear and critical objective.

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Under the ultimate supervision of the Defence Ministers in the Steering Board chaired by the Head of Agency, EDA is to act as the intergovernmental nexus for planning, prioritisation, and management support for defence users' needs and requirements at EU level. While remaining the enabler of coherence for Member States across all EU defence-related initiatives, policies and legislation, EDA will further build on its expertise and project management experience to deliver ambitious projects leading to actionable results and capabilities.

In carrying out the tasks and findings of this Review, with a renewed focus on efficiency and outcomes, the Agency will engage with Capability, National Armaments, R&T and Defence Policy Directors, as well as the Council, to receive additional guidance as appropriate. The 2024 Long Term Review will be re-examined as appropriate upon Steering Board decision.

In this context, it is recalled that in full respect of the EDA Council Decision, if a representative of a participating Member State in the Steering Board declares that, for important and stated reasons of national policy, it intends to oppose the adoption of a decision to be taken by qualified majority, a vote shall not be taken, and the appropriate procedures will be followed.

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<sup>14</sup> Defence Innovation Accelerator for the North Atlantic.

<sup>15</sup> In line with art. 26(3).