



ANNUAL REPORT 2017





WELCOME WORD BY JORGE DOMEQ, EDA CHIEF EXECUTIVE

2017 was a pivotal year for European defence and for the European Defence Agency (EDA). The major initiatives launched in 2016 – the EU Global Strategy, the European Defence Action Plan and the EU-NATO Joint Declaration – were translated into concrete action, laying the groundwork for further developments in 2018.

The drive to improve joint planning and prioritisation, development, procurement and operation of capabilities among Member States was strengthened in 2017. The Agency concentrated on the review of the Capability Development Plan (CDP), the launch of the Coordinated Annual Review on Defence (CARD), the support to the establishment of the Permanent Structured Cooperation (PESCO) and the development and implementation of the European Defence Fund (EDF), all central to providing Member States with better and more interoperable defence capabilities.

Over the course of 2017, the Agency worked with Member States and stakeholders including the EU Military Committee (EUMC) and the EU Military Staff (EUMS) and in close cooperation with NATO to deliver an updated set of CDP priorities by spring 2018. The trial run of the CARD was launched in October 2017, with a presentation of the first CARD report to Ministers of Defence planned for November 2018. The CARD will provide a snapshot of the European capability landscape and will identify European cooperation opportunities.

In late 2017, 25 Member States signed up to the Permanent Structured Cooperation (PESCO), marking their determination to jointly develop capabilities, invest together, and enhance their armed forces' operational readiness. EDA was at the heart of the work on PESCO, helping Member States identify the 17 initial projects, and working on the annual assessment of PESCO commitments.

As the secretariat for both CARD and PESCO as well as central operator in EU-funded defence activities, the Agency is leveraging its expertise, knowledge and networks to ensure coherence, efficiency and a steady focus on capability priorities commonly agreed by Member States in the CDP.

In order to ensure that EDA remains fit for purpose in this new phase of European defence cooperation, Ministers in May 2017 endorsed the conclusions of the Long Term Review (LTR) of the Agency, initiated in 2016 by the Head of the Agency. The LTR sets out three missions for the Agency, as the major prioritisation instrument, as the preferred cooperation forum and management support structure, and as a facilitator towards other EU institutions and policies for the benefit of the defence community.

Against this backdrop, EDA continued to demonstrate its added value to Member States as they strive to improve their defence capabilities in an increasingly complex strategic environment throughout 2017. EDA currently manages 97 ad hoc Research & Technology and Capability Projects, 14 Research & Technology and Capability Programmes, 3 Joint Procurement Arrangements and more than 190 other activities related to capability development, research and technology and the defence industry.

Progress on the four key capability programmes agreed by the European Council in 2013 continued in 2017. Work on a Definition Study of the European MALE RPAS (Medium Altitude Long Endurance Remotely Piloted Aircraft System) began and EDA is contributing to the integration of the MALE RPAS into European airspace and is also ensuring the addition of new participating Member States. Germany and Norway joined the Air-to-Air Refuelling (AAR) Multinational Tanker Fleet and work continues on synergies with other European AAR fleets. On cyber, a study on the establishment of a cyber defence training and

education platform was concluded, leading to the decision to establish such a platform within the European Security and Defence College (ESDC). The Cyber Ranges Federation Project moved to implementation, and we progressed in the development of a Strategic Research Agenda on Cyber. The Cyber Situation Awareness Project (CySAP) and the Military multi-Agent System for APT Detection II (MASFAD II), also moved forward, as did the Demand Pooling for the Cyber Defence Training and Exercise support by the private Sector (DePoCyTE) project. The Business Case, Common Staff Requirements and the ad hoc Cat. B project Outline Description for Governmental Satellite Communications (GovSatCom) were approved, all leading towards the setting up of a demonstrator in 2018. EDA remains ambitious about all these programmes for 2018.

In September, EDA put in place an ad hoc working group to address Military Mobility in Europe, specifically to identify obstacles in cross-border movement and surface transit of military personnel and assets across Europe, to map existing initiatives and shortfalls, and identify relevant actors at EU and national level. Building on this work due in early 2018, the High Representative and the European Commission will produce an Action Plan on Military Mobility.

In EU-funded defence research, EDA continued to successfully manage the Pilot Project, signing three separate grants. A Delegation Agreement with the European Commission for the Preparatory Action on Defence Research was signed in May, and EDA published the Calls for Proposals in June. 24 proposals were received from 186 different entities in 25 European countries, and the first grant agreement was signed on 20 December.

I am confident that progress will continue in 2018 and yield more results on the political decisions of recent years.

PESCO – A PIVOTAL MOMENT FOR EU DEFENCE COOPERATION



TAL

2017 saw the launch of the Permanent Structured Cooperation (PESCO) in the area of security and defence policy, a new permanent cooperation framework introduced by the EU Treaty of Lisbon in 2009 but never used so far. It foresees the possibility for willing and able EU Member States to work more closely together in the area of security and defence by committing to develop joint military capabilities, invest in shared projects or to enhance the operational readiness of their armed forces.

On 13 November 2017, Ministers from 23 EU Member States signed a joint PESCO notification and handed it over to the Council as well as to Federica Mogherini, the High Representative of the Union for Foreign Affairs and Security Policy who is also Vice-President of the Commission and Head of the European Defence Agency. On 7 December 2017, two more Member States, Ireland and Portugal, also notified about their intention to join PESCO.

On 11 December 2017, the Council adopted a Decision establishing PESCO with the participation of the following 25 Member States: Austria, Belgium, Bulgaria, Czech Republic, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain and Sweden.

The 25 participating Member States also agreed on an initial list of 17 projects to be undertaken under PESCO. This first set of projects will still need to be officially launched on the basis of a Council Decision, estimated for March 2018. The projects cover areas such as training, military mobility, capability development and operational

readiness in the field of defence. The second set of projects may be launched in 2018.

EDA was closely involved in the preparatory work leading to the launch of PESCO, helping participating Member States to identify, assess, group and consolidate potential PESCO projects, including by evaluating their impact on the future capability landscape.

EDA together with the EU Military Staff (EUMS) fulfilled this mission in 2017 and successfully supported the selection process of the first 17 projects by co-organising relevant technical workshops to establish an expert-level common understanding on the scope of PESCO related project proposals, on the practical aspects of implementing these projects, as well as by developing the assessment methodology to be adopted for all PESCO projects.

EDA is now called by the Council Decision establishing PESCO to provide key support together with the EEAS, including the EUMS to participating Member States, by jointly providing the necessary secretariat functions for PESCO and act as a single point of contact. EDA shall notably contribute to the High Representative's annual assessment of participating Member States' contributions made in accordance with the more binding commitments they have undertaken. EDA shall further facilitate capability development projects, in particular by coordinating the assessment of such projects, ensuring also that there is no unnecessary duplication with existing initiatives in other institutional contexts. EDA is also set to support the future practical PESCO project implementation, at the request of Member States.

COORDINATED ANNUAL REVIEW ON DEFENCE

EDA acts as the CARD Secretariat. It launched the CARD trial run in October 2017 with the aim to present the final report to Ministers of Defence in November 2018.

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TIFICATION AND RITISATION OPERATION ORTUNITIES

Capability Development Plan

Throughout 2017 EDA worked intensively on the revision of the Capability Development Plan (CDP), aiming to deliver an updated set of CDP priorities in spring 2018. The Agency is following a novel approach, integrating a significant number of different inputs from various stakeholders involved, including the EU Military Committee (EUMC) and the EU Military Staff (EUMS), addressing the implications of the new security challenges outlined in the EU Global Strategy (EUGS), such as Hybrid Threats, and considering long term technology trends, considering also defence industry views. Close staff-to-staff coordination with relevant counterparts in NATO contributes to ensuring coherence of output between the EU Capability Development Plan and the NATO Defence Planning Process. In that respect, in 2017 the Agency procured the services of the NATO Communications and Information Agency (NCIA) to support the EUMS with the Capability Requirements Planning (CRP) software.

Coordinated Annual Review on Defence

As one element supporting the implementation of the EUGS, the Coordinated Annual Review on Defence (CARD) aims to provide a comprehensive

picture of the European capability landscape over time and to identify opportunities for multinational cooperation, expediting the implementation of the CDP priorities. The Agency developed the principles and successive steps of the CARD trial run methodology and presented them to Member States in September and October 2017. The Agency, in its capacity as CARD Secretariat, launched the CARD trial run in October 2017 and began conducting bilateral meetings with Member States in view of preparing the final CARD report to be presented together with relevant lessons learnt to Ministers in November 2018.

Collaborative Data Base

Following a bottom-up approach, and on the basis of the CDP and an assessment of cooperative opportunities derived from the Collaborative Data Base (CODABA), the Agency continued studying short-term collaborative opportunities to pool the demand in areas such as Very Short Range Air Defence (VSHORAD) systems and Ground Surveillance Radar. The CODABA input provided by Member States is fully taken into account in the implementation of the CARD trial run.

Overarching Strategic Research Agenda

Based on work conducted throughout the year, the first finalised product of the Overarching Strategic Research Agenda (OSRA) framework was delivered to Member States by the end of 2017. The OSRA outlines the R&T areas in which a cooperative approach at European level provides added-value to support the development of defence capabilities as well as the identification of appropriate funding instruments.

Key Strategic Activities

The results of the OSRA process and the CDP prioritisation will also serve the identification of Key Strategic Activities (KSA) at EU level to identify technologies, skills and manufacturing capabilities to be supported in view of ensuring EU strategic autonomy. In 2017 the Agency's work focused on supporting KSA test cases, including their presentation to the European Commission to identify possible EU funding, resulting in expressions of interest such as on Field Programmable Gate Arrays (FPGA).

EU CYBRID 2017

The Estonian Presidency of the Council of the European Union, the Estonian Ministry of Defence and EDA organised a strategic table-top cyber defence exercise for Defence Ministers. The objective was to raise awareness of cybersecurity incident coordination at political level and of the potential effects of offensive cyber-campaigns.

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CAPABILITY DEVELOPMENT

Air-to-Air Refuelling

The objective of the Agency in 2017 was to continue improving the air-to-air refuelling (AAR) capability in Europe, by: (i) making more efficient use of existing assets such as in the areas of collaborative training activities, multinational efforts to arrange for more tanker-receiver clearances and on synergies among present and future A330MRTT users; (ii) monitoring the development of the A400M AAR capability, increasing the amount of AAR-kits through pooling and sharing; (iii) providing continued support to the Multinational MRTT Fleet (MFF) programme. Germany and Norway joined the MFF programme in June, increasing the fleet to seven aircraft. Belgium joined in February 2018. Two more Member States expressed interest.

Remotely Piloted Aircraft Systems

EDA worked on Remotely Piloted Aircraft Systems in 2017 in three areas: (i) the consolidation of the ability of military MALE RPAS to fly over the European territory in non-segregated airspace. To that end, both regulatory and research activities were carried out by interested Member States within the Single European Sky framework; (ii) the support provided to the European MALE RPAS programme managed by OCCAR on behalf of four Member States (Germany, Spain, France, Italy) upon its role in the definition phase to bring support to the Air Traffic Integration capability and by facilitating integration of additional

Member States in the development phase of the programme. As for the latter, EDA and OCCAR developed and implemented the MALE RPAS communication strategy to engage new members; (iii) the RPAS training demonstrator with an initial operational capability by the end of 2017.

Governmental Satellite Communications

Good progress was made with the approval of the Business Case, Common Staff Requirements and the ad hoc Cat. B project Outline Description. Engagement with the European Space Agency (ESA) in this area is pursued on the basis of an Implementing Arrangement. Engagement with the European Commission (Directorate General Internal Market, Industry, Entrepreneurship and SMEs – DG GROW) also continued apace in 2017 while the European Commission's Regulatory Scrutiny Board provided approval for work to commence on the legislative proposal based on the analysis coming from EDA's Impact Assessment.

Cyber Defence

The Strategic Context Case on Cyber was updated and the implementation pursued as scheduled, including (i) capability development, where the Cyber Ranges Federation Project, the first cyber ad hoc project, moved from the preparation phase into the implementation phase; (ii) training and education, where three major training activities were organised in capitals as well as at EDA premises during 2017. EDA also concluded its study on the establishment of a cyber defence training and education platform in close cooperation with the European External Action Service (EEAS), EUMS and the European Security and Defence College (ESDC) and relevant steps on the way ahead were launched; (iii) exercises, with the most prominent

example being the EU CYBRID 2017 exercise at Defence Ministers' level, co-organised with the Estonian Presidency in September 2017; (iv) research and technology, where EDA progressed well in the development of a Strategic Research Agenda on Cyber. Still in the area of cyber R&T, two ad hoc projects, the Cyber Situation Awareness Project (CySAP) and the Military multi-Agent System for APT Detection II (MASFAD II), made good progress; (v) other activities addressing the industrial dimension.

Geospatial Information Management

Working closely with the EU Satellite Centre, the project Geospatial Information to Support Decision-Making in Operations (GISMO3) was completed. This allowed the fielding of an initial operating capability with the Italian Operational Headquarter (OHQ) to enhance the management of geospatial information in support of EUNAVFOR MED operation Sophia using the "Geohub" application.

Anti-Tank

Work progressed well to explore the harmonisation of requirements, common training, off-the-shelf solutions for joint procurement of anti-tank weapons, guided missiles, and joint initiatives for users of similar systems (ammunition procurement, maintenance and modernisation of the in-service systems).

Optimising Main Battle Tank (MBT) capabilities in Europe

EDA supported Member States in elaborating a business case, with an initial focus on the Leopard 2 (OMBT-Leo2). The focus of the business case is to assess to what extent the surplus of Leopard 2A4 MBTs owned by some of the Member States could be made available and transferred to other Member States requiring additional MBT capabilities. A request for information to the European defence industry was also launched,

including in the perspective of upgrading such MBT capabilities.

Counter-IEDs

Based on the successful development of EDA's Joint Deployable Exploitation and Analysis Laboratory (JDEAL) (including a second deployable capability), the project duration was extended until 2021. Another programme within the C-IED area is ECMAN (European Centre for Manual Neutralisation Capabilities), which offers recognised expertise and experience to the Member States in the field of IED threats.

Maritime Surveillance (MARSUR)

To enhance information exchange, further efforts were deployed in view of integrating MARSUR into Member States' national surveillance systems. Technical connectivity of the Italian MARSUR node to the OHQ SOPHIA was established in support of the EUNAVFOR MED operation Sophia. Actions to support Member States to further develop MARSUR to make it the routine tool of European navies and the defence layer in the Common Information Sharing Environment (CISE) of the European Commission are ongoing.

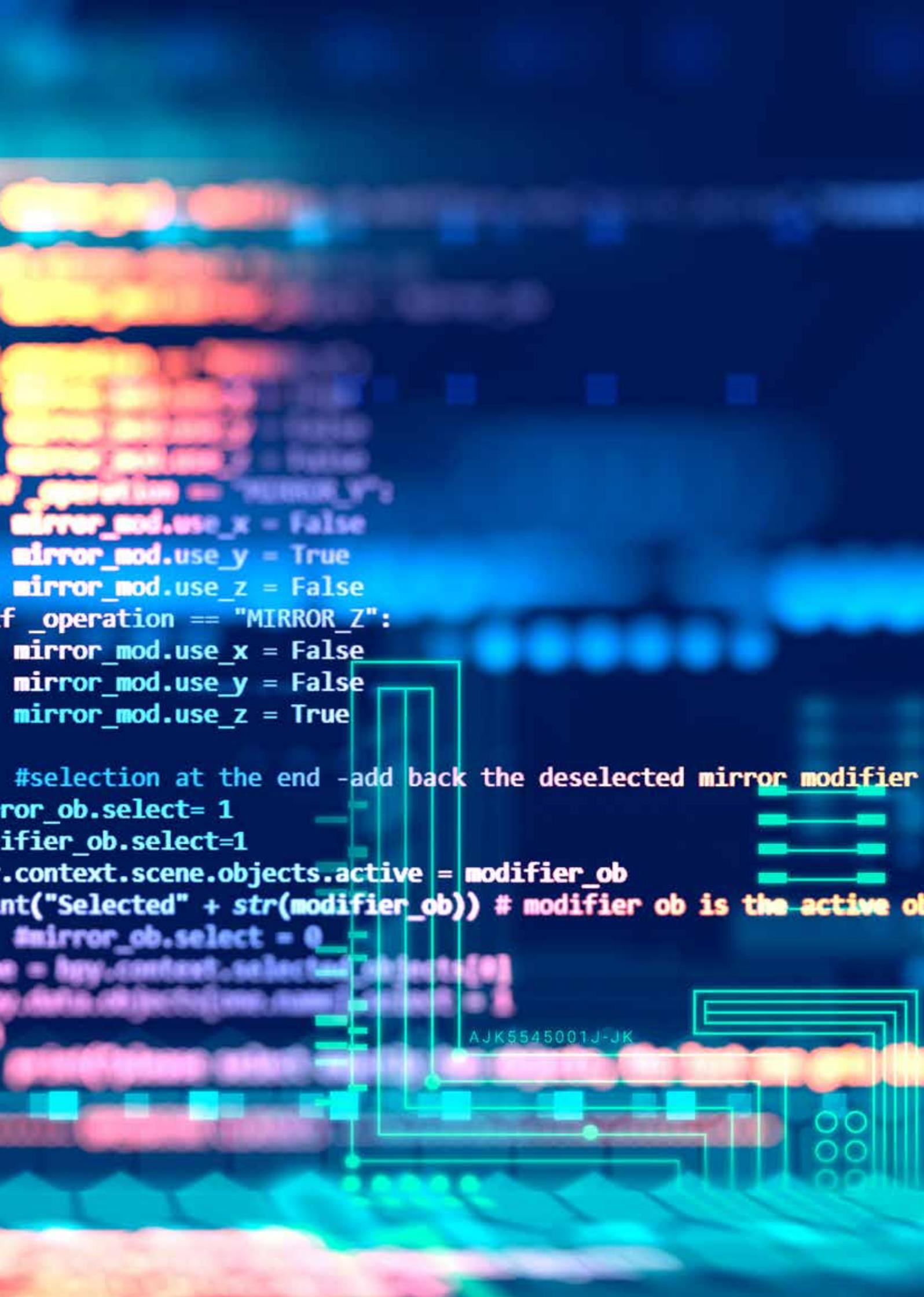
Military Mobility

Military movement and transportation is an important capability which enables the effective, timely, and safe deployment of military forces and assets across Europe and beyond. EDA continued its work in the frame of the Multimodal Transport Hub (M2TH) and Diplomatic Clearances projects. Furthermore, and considering existing shortfalls in expediting military mobility in Europe, an ad hoc working group was established to address the issue from a global perspective and submit a detailed action plan by spring 2018. Work is pursued in close coordination with the EEAS, EUMS, the European Commission and other relevant stakeholders.

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    mirror_mod.use_z = True

#selection at the end -add back the deselected mirror modifier
mirror_ob.select= 1
modifier_ob.select=1
context.scene.objects.active = modifier_ob
print("Selected" + str(modifier_ob)) # modifier ob is the active ob
#mirror_ob.select = 0
#context.scene.objects.active = mirror_ob
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EDUCATION & TRAINING

EDA's training and exercise programme currently focuses on helicopter, fixed wing airlift and RPAS. Between 2009 and 2017 eleven helicopter exercises were held in France, Spain, Italy, Portugal, Finland, Belgium and Hungary. 243 helicopters, 1590 aircrew members and over 10,000 infantry participated. EDA is also active in education initiatives on energy management, armaments cooperation as well as cyber, maritime and counter-IED.



ENABLERS AND INCENTIVES

Military Aviation

Member States completed through the EDA Military Airworthiness Authorities Forum the development of the European Military Airworthiness Requirements (EMARs) for airworthiness management, aircraft maintenance, training/ licencing and certification. Implementation of the harmonised EMARs is in progress. Work is also underway, in close coordination with the European Aviation Safety Agency (EASA) and the European Commission, to develop the airworthiness regulatory framework necessary for military RPAS to operate in non-segregated airspace. The Agency concluded an agreement with the European Commission (Directorate-General for Mobility and Transport - DG MOVE), EASA and the SESAR Joint Undertaking to establish a technical 'Coordination Mechanism' with a view to aligning the research activities for Air Traffic Insertion of certified drones with the European ATM Master Plan.

Defence Test and Evaluation Base (DTEB)

Work continued on the development of Test & Evaluation capabilities in Europe based on a coordinated network of national test centres. The implementation of the DTEB strategy resulted in fostering collaborative activities among test centres and systematically linking Test & Evaluation requirements with the EDA Capability Development Plan.

Ammunition Safety

EDA developed together with Member States a strategy for achieving harmonised certification requirements for ammunition safety. The strategy and the implementation plan both take into account a systematic inclusion of Defence Test and Evaluation and standardisation aspects. First standards were developed and implemented within the European Defence Standards Reference System.

Education and Training

Fixed-Wing

The European Tactical Airlift Centre in Zaragoza was established in June 2017, providing Europe's air forces with self-contained tactical airlift training opportunities at all levels for the first time. Support will continue during the transition phase until the centre reaches full operational capability, expected in 2019.

Rotary-Wing

EDA successfully delivered the 50th Helicopter Tactics Course (HTC) in October 2017. The HTC project is expected to continue, at least, until 2022. In addition, the Fire Blade exercise was hosted by Hungary in May 2017, and other helicopter trainings such as the Helicopter Tactics Instructor Course (HTIC), COMAO Planning and Electronic Warfare (EW) courses were provided by EDA.

Armaments Cooperation

The Agency continues to support Austria as the lead nation for the annual European Armaments Cooperation Course and is developing a new module of activity with a specific focus on the needs of Central and Eastern European Member States.

Security of Supply

Good progress was made in the implementation of the intergovernmental actions of Security of Supply as endorsed by Ministers in May 2015. Based on intense preparatory work conducted by the Agency together with Member States, the Council adopted on 19 June 2017 a Political Commitment on Security of Supply.

Support to CSDP Operations/Missions

EDA continued to support EUNAVFOR MED operation Sophia OHQ with software for

human resources and geospatial information management as well as cyber defence awareness training. The EU SatCom Market project continued to develop with eight new members joining in 2017, bringing the total number of members to 25. Building on the experience gained by the EU SatCom Market project, work continued on the establishment of additional standby commercial arrangements, for example in the area of aeromedical evacuation services.

VAT exemption

Positive developments took place in 2017 as regards the application of the VAT exemption in EDA ad hoc projects. Two ad hoc projects were concluded in 2017 using the VAT exemption clauses. Four more ad hoc projects which also include the VAT exemption provisions are expected to be concluded by spring 2018. More projects are in the pipeline to be concluded in 2018 contemplating the use of the VAT exemption. The Agency continued its efforts to fully exploit the potential of this incentive, based on a manual on the use of VAT exemption, ad hoc guidance to Member States, and dedicated visits to capitals to work closely with the national administrations to support promoting its use.

Cooperative Financial Mechanism

Work continued intensively to set-up a Cooperative Financial Mechanism (CFM) to support the launch and execution of cooperative programmes. In May the CFM was established as a new ad hoc Cat. A programme. In this format, Member States experts are now convening to finalise the Programme Arrangement and establish the financial mechanism. The European Investment Bank expressed interest in participating in this mechanism.





RESEARCH & TECHNOLOGY

The total value of ad hoc projects managed through EDA since its inception is 1 billion euros.

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TING RESEARCH OLOGY

The Agency continued to pursue cooperative R&T – both enabling and system-oriented research – to develop the technologies that will be required in future systems and platforms. There was an upward trend regarding of EDA R&T portfolio in 2017 in the initiation of new ad hoc projects. Twenty-seven new projects are currently under negotiation with a total value of € 98 million. This brings the total value of ad hoc projects managed through EDA since its inception to 1 billion euros.

EU funded Research and Technology

The Pilot Project (PP) with a budget of 1.4 million euros and the Preparatory Action on Defence Research (PADR) with a foreseen budget of 90 million euros are meant to pave the way for a fully-fledged European Defence Research Programme (EDRP) in the next Multi-Annual Financial Framework after 2020.

Pilot Project on CSDP related research

For the PP, EDA conducted the upstream role as well as the implementation role on behalf of the European Commission (DG GROW), as was laid down in the PP Delegation Agreement. The Agency together with the Member States proposed topics for the PP. After their validation by the Commission, EDA launched a Call for Proposals, evaluated the submitted proposals and signed grants with the respective top-ranked proposal for each of the three different activities, namely: (i) unmanned heterogeneous swarm of sensor platforms; (ii) inside building awareness and navigation for urban warfare; and (iii) standardisation of remotely piloted aircraft system (RPAS) detect and avoid.

Preparatory Action on Defence Research (PADR)

Based on the negotiation of a Delegation Agreement with the European Commission that was signed on 31 May, EDA published the Calls for Proposals on three distinct topics in June 2017. An Information Day and brokerage event with industry was organised with a view to inform interested entities about the topics and the modalities and to foster consortia building. EDA received 24 proposals for the different calls from 186 different entities coming from 25 countries. The evaluation of the received proposals was concluded by the end of the year with the first grant agreement signed on 20 December.

ENERGY & ENVIRONMENT

EDA and the European Commission launched the second phase of the Consultation Forum for Sustainable Energy in the Defence and Security Sector on 20 October. The Consultation Forum aims to examine how energy efficiency measures, renewable energy sources and technologies, and protection of critical energy infrastructure considerations apply to the European defence sector.

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ER EU POLICIES

European Defence Fund

For its future role in the EDF's research window lessons learnt are to be derived from EDA's role in the Pilot Project and Preparatory Action on Defence Research and on a future European Defence Research Programme. The Agency's upstream role in the European Defence Industrial Development Programme (EDIDP) was agreed by Member States in October. This role could yield strong synergies from the Agency's support to Member States in assessing PESCO project proposals, as some could benefit from EDF funding.

Single European Sky (SES) and SESAR

EDA continued, in close cooperation with the European Commission (DG MOVE), its activities to facilitate the coordination of military views of Member States and international organisations such as NATO and EUROCONTROL. In 2017, the "Military Aviation Strategy in the context of SES" was approved by the EDA Steering Board. Access to EU funds for military projects on SES/SESAR related technology (€ 88 million obtained so far) and in RPAS Air Traffic Integration activities was achieved through EDA's involvement in the development of a common civil-military roadmap in this domain. To maximise cooperation between civil and military stakeholders and benefiting from each other's experience, a structured dialogue with European industry began.

Space

Beyond the GovSatCom activities, EDA took work forward on the elaboration of a Military Satellite Navigation Policy to scope the potential European secure use of positioning, navigation & timing information. Work is pursued in close cooperation with the European Commission (DG GROW). In March, the Military Navigation Policy was approved by the Steering Board and an ad hoc working group for Military Positioning, Navigation and Timing was established to develop a Common Staff Target. Regarding Space Based Earth Observation and after the endorsement of a relevant Common Staff Target in July, EDA was tasked to elaborate a Common Staff Requirements and a Business Case for Earth Observation capability requirements for 2025-2030, and to explore potential links to the Copernicus Programme to better exploit dual-use synergies.

Radio spectrum

The Agency supports Member States' activities to maintain sufficient access to the radio spectrum through the renewal of a framework contract. With this contract, Member States will obtain technical support on critical agenda items of the World Radio communication conference 2019 during the whole cycle of its preparatory process from 2016 to 2019.

Cyber

EDA actively contributed to the implementation of the Cyber Defence Policy Framework notably through its cyber defence activities described earlier and the preparation of a structured cooperation with other EU Agencies such as ENISA, Europol/EC3 and CERT-EU.

Maritime

EDA supports the implementation of the EU Maritime Security Strategy and its associated Action Plan. EDA's work was focused on the development of a joint civil-military Maritime Research Agenda (MRA), together with the European Commission (Directorate-Generals for Maritime Affairs and Fisheries (DG MARE) and for Migration and Home Affairs (DG HOME) and DG GROW), the EEAS and the Joint Research Center (JRC). The MRA was delivered by the end of 2017. EDA also identified synergies with the relevant EU Agencies in the frame of the European Border and Coast Guard in the areas of training, maritime surveillance and research.

Sustainability

REACH

Good progress was achieved in the harmonisation of Member States' procedures in granting defence exemptions related to REACH. The Agency investigated the wider impact of REACH on the defence sector. It also submitted to the European Commission (DG GROW, Directorate-General for Energy (DG ENER)) a list of recommendations for the evolution of the REACH regulation and related processes in the context of the 2017 REACH Regulation Review. A Common Position on Ammunition Classification under REACH was adopted by Member States in September. A comprehensive roadmap of REACH activities for 2018-2020 was endorsed, which will strengthen EDA's role as military coordinator on REACH defence related issues.

Energy and Environment

EDA continued to work closely together with the European Commission (DG ENER) on the Consultation Forum for Sustainable Energy in the Defence and Security Sector. The work was concluded in October meeting objectives to facilitate the implementation of specific energy legislation and to identify with Defence Ministries potential challenges and solutions. A second phase was launched on 16 October 2017 to further focus on the identification and implementation of concrete projects. EDA's activities in the field of Energy and Environment progressed alike, including on the Smart Blue Water Camps ad hoc project. The Agency continued to address the challenges which deployed armed forces face as regards energy efficiency, renewable energy, and broader environmental considerations. In this context, following the successful conclusion of the Agency's Smart Energy Camp Technology Demonstrator, deployed to EUTM Mali, EDA started preparation for a follow on project on deploying environmental technologies in military environments.

Circular Economy

Following the adoption of the European Defence Action Plan (EDAP) on 30 November 2016, which called for the transposition of the principles of Circular Economy to the defence sector, EDA launched an initial feasibility study. The results are expected to provide guidance on the transposition of the circular economy principles into defence as well as identifying benefits for the armed forces, for example in using innovative technologies like additive manufacturing (3D-Printing). Work is pursued in close cooperation with the Commission (DG ENV).

Support to the European Defence Technological and Industrial Base

Engagement with industry

In May, the Steering Board supported a new EDA approach towards a structured dialogue and enhanced engagement with industry based on a set of priority actions, with focus on the capability development process, R&T prioritisation and innovation, SES/SESAR, Key Strategic Activities and support to industry. The implementation of the key prioritised actions of EDA Industry Engagement was launched and is progressing in close interaction with Member States and industry.

Access to EU funds

The Agency continued its efforts in support of defence stakeholders accessing EU funding. In that respect, EDA delivered tailored networking events, as well as technical support to a number of pilot projects to prove the eligibility of defence to those EU programmes that are not earmarked for defence. As an example, EDA enabled funding for seven pilot R&T projects via the European Structural and Investment Funds (ESIF). This includes a first project with a Ministry of Defence being directly funded, a first awarded project addressing the "Circular Economy" in defence and a first fully fledged defence project directly supporting military applications. To further facilitate defence access to ESIF, the Agency released a specific online "ESIF platform" for defence, supporting the identification of potential funding sources under ESIF.

Support to defence-related SMEs

With a view to better responding to objectives underlying the revised approach to industry engagement, EDA focused its approach to SMEs on gathering innovative ideas for the sake of joint initiatives, projects and programmes in support of capability development and R&T activities. The Agency pursues activities to improve information sharing, to support building cross-border partnerships, and to help industry benefit from available EU tools, supporting the depth and diversity of the defence supply chain and industry competitiveness, as well as the European Defence Technological and Industrial Base (EDITB).

Promoting the Exploitation of Dual Use Synergies (R&T)

Ongoing work with the European Commission (DG HOME) on dual-use technologies, with an emphasis on areas such as components, materials and CBRN provided a better insight into the impact of investment in dual-use areas. Moreover, EDA advised the European Commission (DG HOME) on Key Enabling Technologies regarding dual-use aspects. The structured cooperation with the European Space Agency and the European Commission on critical technologies continued: In 2017 the Space Policy Expert Group (SPEG) finalised the background document on Critical Space Technologies (CST) with the contribution of EDA for Critical Defence Technologies. EDA also assisted the Commission in the evaluation and review of Horizon 2020 projects, either as evaluator or reviewer.

EDA ANNUAL CONFERENCE

#EDACONF2017

The EDA Annual Conference has become a landmark event for the EU defence community. This year's conference focused on "Security in the digital age: The added value of European cooperation".



ANNUAL CONFERENCE 2017

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CONTINUED PARTNERSHIPS

Third countries

The Agency is further developing its relations with third countries with an Administrative Arrangement with EDA. Cooperation with Norway continues to be mutually beneficial with further involvement in the Agency's projects and activities, especially in the area of research and technology.

Norway joined three more EDA CapTechs in 2017. Switzerland formally announced its decision to join an EDA ad hoc project for the first time. Ukraine is now involved in EDA's work on Single European Sky and standardisation. Cooperation with Serbia is further being investigated in areas where mutual benefits could be identified. On the basis of the request of Former Yugoslav Republic of Macedonia to formally launch negotiations for an Administrative Arrangement, exploratory talks at expert-level continued to take place in 2017.

The dialogue of the past years with the United States led to a US (Department of Defence) formal request in November 2016 to launch negotiations for an Administrative Arrangement with EDA, proposing concrete areas for cooperation, which is presently under Member States' assessment. With a view to prioritising and streamlining future relations with third parties, the Agency proposed to the Steering Board the development of key principles for engaging with those third parties.

European Space Agency

Implementation of the Administrative Arrangement with the European Space Agency progressed well in 2017, improving synergies with EDA in a number of areas such as GovSatcom, RPAS, Intelligence Surveillance and Reconnaissance (ISR), critical space technologies, Unmanned Maritime Systems (UMS) and cyber.

OCCAR

Cooperation with OCCAR in the frame of the Administrative Arrangement further evolved in 2017 through close cooperation on the Multinational MRTT Fleet (MFF) and the European MALE RPAS programmes. More areas were investigated in 2017 such as standardisation, REACH and Military Airworthiness. EDA and OCCAR pursued activities to further implement their interface document for cooperation with a focus on Through-Life Management.

NATO

The Agency continued to ensure coherence of output of the CDP and NDPP processes as well as complementary and mutually-reinforcing capability development with relevant NATO divisions, Agencies and Centres of Excellence as well as with ACT. EDA contributes to 6 out of the 7 areas for cooperation identified in the EU-NATO Joint Declaration upon the principles endorsed by the Council on its implementation.

EDA Annual Conference

The EDA Annual Conference 2017 focused on cyber defence. Hosted in Brussels, the conference gathered around 400 high-level participants from national governments, armed forces, European institutions, industry, academia and the media. Among the keynote speakers were Federica Mogherini, Head of the European Defence Agency, High-Representative and Vice-President of the European Commission, Kersti Kaljulaid, President of Estonia and Julian King, European Commissioner for the Security Union.

YOUR D

DEFENCE AGENCY

EDA MANAGEMENT



Jorge DOMEQ
Chief Executive



Rini GOOS
Deputy Chief Executive



Roland VAN REYBROECK
*Director Cooperation,
Planning & Support*



Martin KONERTZ
*Director Capability,
Armament &
Technology*



Denis ROGER
*Director European,
Synergies & Innovation*

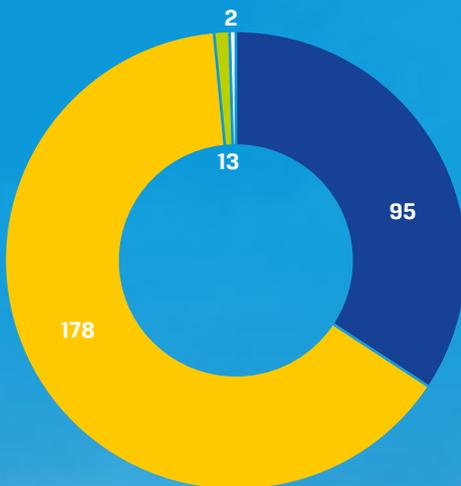


Luigi SANDRIN
*Director Corporate
Services*

FACTS & FIGURES 2017

EDA PORTFOLIO

Number of activities



- Capability and R&T ad hoc projects
- Activities/studies financed through EDA operational budget
- Other
- Joint Procurement Arrangements

Contributions for ad hoc projects*

(in million Euro)



* where formal agreements have been concluded

EDA BUDGET 2017

EDA's budget consists of the general budget, the budgets associated with ad hoc projects or programmes and budgets resulting from additional revenue for a total budget of 72.7 million Euro.**



General Budget
31.2 million Euro



Ad hoc budget
14.8 million Euro



Additional revenue
26.7 million Euro

EDA STAFF



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(on 31/12/2017)

** Figures for 2017 are provisional

Access to documents: new EDA policy introduced in 2017

In November 2017, EDA adopted a decision on public access to documents, ensuring the implementation of Regulation (EC) N°1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, applicable to documents held by EDA in line with Article 30 of Council Decision (CFSP) 2015/1835.

In 2017, six official requests for access to documents were made to EDA on the basis of the aforementioned regulation. Pursuant to article 17.1 of Regulation 1049/2001, access was refused in two specific cases, namely:

- a request for access to interview questions for EDA staff competitions. Access to such documents was refused on the basis of Art. 4.3 §2 of Regulation (EC) No 1049/2001 since their disclosure would prejudice the fairness of ongoing and future selection procedures and equal treatment of candidates, and given that there was no 'overriding public interest in disclosure';
- a request to EDA documents related to the European Defence Fund (EDF) and the European Defence Industrial Development Programme (EDIDP). Access to such documents was refused on the grounds that: a) part of them fell under Article 4.1 of Regulation 1049/2001 as their disclosure would undermine the protection of the public interest as regards defence matters; b) part of them originated from other institutions, in particular the European Commission and the EU Council of Ministers and that following internal consultation, in accordance with Art. 4.4, these were also found to fall under the exceptions of Art. 4 of Regulation 1049/2001. The request was still subject to a confirmatory application when this report was compiled.

Applications for access to EDA documents must be made in writing and sent to the Agency by e-mail to info@eda.europa.eu

PHOTO CREDITS

Page 4 & 5: European Union

Page 12 & 13: Austrian Armed Forces



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