

# Effective Procurement Methods (EPM)

## Pooling demand through common off-the-shelf procurement



### Implementation of a clear tasking by the European Union Treaty

The European Union Treaty tasks the EDA to support Member States in implementing any useful measures to strengthen the European Defence Technological and Industrial Base and to improve the effectiveness of military expenditure. It also tasks EDA to promote the harmonisation of operational needs and the adoption of effective procurement methods.

The EPM initiative was first presented to participating Member States in mid-2011, who, together with the European Commission and industry, have welcomed the initiative and showed interest in supporting its further development.

### Investigating into new common procurement methods including off-the-shelf procurement

Based on the enhanced mandate of the EDA following the Lisbon Treaty, the EPM focuses on the development of innovative ways to consolidate the demand side of the European Defence Equipment Market and indeed to identify current common demand.

Already in 2007, in the European Defence Technological and Industrial Base Strategy, the Ministers of Defence named off-the-shelf purchases as an interesting area to achieve consolidation of demand, where the benefits of common ways of procurement are self-evident.

### Circumvent lengthy development phases and prove benefits to participating Member States

Potential savings for Member States are expected as fewer variants result in a more streamlined production for industry and higher economies of scale. Off-the-shelf procurement, not being focused on the development phase, ensures a higher level of harmonisation. It is also understood that a more frequent use of common procurement methods will lead to more nations employing the same equipment and therefore increase their interoperability.

Moreover, collaborative procurement conducted in a transparent and competitive way increases cross-border competition which again is a key factor in market terms. The EPM initiative is thus

also a true contribution to creating a competitive, transparent and open European Defence Equipment Market and a means to implement the Defence Procurement Directive (2009/81/EC).

As a final objective, the EPM initiative tries to translate strategic tasks into practice and develop ways to identify and shape common demand, together with Member States and other relevant stakeholders.

### Make the EDA a "one-stop shop" for the entire range of defence cooperation

The EDA, with its integrated way of working is ideally placed. Given the new legal framework after the Defence Procurement Directive which explicitly names the EDA as a central purchasing body for common defence procurement, the Agency can, if so requested, conduct the contracting for a group of Member States and thus become a one-stop shop for cooperation.

### Create a generic and reusable process as a "vehicle" which can carry different "payloads"

The EPM initiative comprises both the development of a methodology to identify common demand (payload) and the setting-up of guidelines to facilitate the cooperation between participating Member States willing to pool their demand and the related contracting (vehicle).

Identifying common demand is the most crucial part of the exercise and should be capability-driven, focused on the needs of participating Member States and based on existing EDA tools and sources (Capability Development Plan (CDP), the Collaborative Database (CODABA) or the Third Party Logistics Support Platform (TPLS)).

Once existing common demand and the willingness of Member States to cooperate have been identified, the Agency could be entrusted to establish and implement common procurement cases, or could help identifying other appropriate contracting authorities.

### Develop a concept on the basis of pilot cases

As the EDA is an output-oriented Agency, the EPM concept is developed on the basis of pilot cases. The first ones in the field of Counter-IED training services and on EU Battle Group logistic services have been successfully implemented within six months only.

Some further promising areas in this regard will be mission-related transport or logistic support, education and training, standard vehicles, ammunition, legacy weapon systems and communication equipment.

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