Welcome word 
by Jorge Domecq, 
EDA Chief Executive

2015 was a year of consolidation for the European Defence Agency. Fresh into the Agency’s second decade and in my first year as Chief Executive, it was the right moment to reengage with our Member States. In a series of visits to Europe’s capitals, I discussed with Ministers of Defence and high-level defence officials their ideas and expectations towards the EDA.

The result of these discussions were distilled into three key objectives for the Agency which were endorsed by Ministers of Defence in May 2015: support the development of structuring capabilities and military cooperation; stimulate defence research and technology to prepare the capabilities of tomorrow and support the EDTIB; and ensure that the interests and specificities of defence are taken into account in wider EU policies.

The revised Council Decision, which was approved in October, further clarified the Agency’s tasks by formally including support to operations and our role as regards wider EU policies to our portfolio. In 2016, the Agency will for the first time follow the new Three Year Planning Framework. Its aims are to plan and prioritise EDA’s activities while at the same time inform and support Member States’ own national defence planning. The Three Year Planning Framework is based on the EDA’s operational budget as well as the additional revenues of around €300.000 we have received from nine Member States as well as contributions from the EU budget for the Pilot Project in the area of defence (€1.49 million) and for the Consultation Forum for sustainable energy in the defence and security sector (€700.000).

Our cooperation with the European Commission has advanced a lot during the last year. Progress has been made regarding the preparation of the Preparatory Action for CSDP-related research and the associated Pilot Project for which the Commission selected three initial topics based on the Agency’s proposal. But also in areas such as Single European Sky, energy and environment or REACH – which all have civil and military dimensions – the Agency is assuming its role as interface between national administrations and the responsible European institutions.

In terms of Agency management, a new project management tool will be put into place by summer 2016. This will allow us to further increase our efficiency, improve the corporate memory and overall oversight of EDA activities.
Lastly, the Agency’s work in support of capability development continues to yield results. Good progress has been made in the four key capability programmes and we expect some milestones to be reached in 2016 such as the signature of the Memorandum of Understanding for the Multi Role Tanker Transport defining the acquisition, initial years of in-service support, and training by the end of July 2016. In 2015, the Agency signed 22 ad hoc contracts for a total value of €71 million in contributions by Member States ranging from a project on the integration of Remotely Piloted Aircraft Systems into common airspace to supporting the European gallium nitride industry supply chain. You will find details on many of our activities in this report.

Support to all our Member States, irrespective of their size, is the guiding principle of the Agency. We strive towards more and better defence cooperation and support both groups of Member States or regional cooperation initiatives. One of the key incentives we have been working on, has been achieved with the VAT exemption for projects and programmes run within the Agency. We are now ready to apply it in a systematic way, for the benefit of the Member States and their armed forces.

Looking ahead, I believe that the year 2016 has the potential to be a turning point in Europe’s defence. The forthcoming Global Strategy, which will be announced by High Representative Federica Mogherini in July, will further steer European defence, especially if translated into concrete military capabilities. The NATO summit in Warsaw as well as the European Commission Defence Action Plan will further create momentum for defence cooperation.

Jorge DOMECQ
Chief Executive, European Defence Agency
On 12 October, the Foreign Affairs Council approved the revised Council Decision defining the statute, seat and operational rules of the EDA (Council Decision (CFSP) 2015/1835). The revised Decision includes some important changes, among which is the clause that cooperative defence projects and programmes are exempt from VAT with immediate effect as long as the Agency has an added value role. The VAT exemption can become an important driving force for defence cooperation, without being an end in itself. It generates an attractive business case for cooperative projects and programmes in the framework of EDA, which is very much needed to foster European defence cooperation.

The revised Council Decision also confirmed the Agency’s role in support to operations as well as the Agency’s position as an interface between the national Ministries of Defence and wider EU policies.

In terms of administrative changes, the Decision establishes that the EDA can administer contributions from the EU general budget for projects and programmes run within the Agency. This provision is of importance regarding the forthcoming Preparatory Action for CSDP-related research as well as the Consultation Forum on sustainable energy in defence and security which the Agency manages on behalf of the European Commission. The first panel meeting of the Forum was held in January 2016 in Brussels.

The last change concerns the EDA’s role in defence cooperation. Member States have called for the inclusion of the Policy Framework for systematic and long-term defence cooperation in the Council Decision which can contribute to enhanced cooperation in the long-term.

THREE-YEAR PLANNING FRAMEWORK

The Three-Year Planning Framework (3-YPF) as defined in the Council Decision, changes the Agency’s annual work plan to a three year cycle. The aim is to better plan and prioritise EDA’s work as well as to inform and support Member States’ national defence planning. The 3-YPF provides the framework for delivering measurable progress against key objectives defined at the political level and prioritising within available resources.
2015 in review
In 2015 work continued apace on the implementation of the revised Capability Development Plan (CDP) as a key driver for capability prioritisation. Follow-on work is being pursued with Member States. Good progress has been achieved in the Agency’s capability-development programmes, starting with the four key programmes endorsed by the European Council in December 2013. In addition to the ongoing activities in this domain, Ministers of Defence have tasked the Agency to work on three new roadmaps in the fields of anti-tank weapons, Medevac and Bio-JDEAL.

The Agency is also conducting an analysis of the implications of Hybrid Warfare for European defence capability development, which has commenced through a stocktake of current activities, including CDP priorities, as part of wider efforts led by the EEAS for the elaboration of a Joint Framework. As a next step the Agency plans to conduct table-top exercises in February and July 2016, to stress-test military capabilities in a hybrid threat environment. The exercises will involve Member States, EEAS and relevant DGs in the Commission, as well as NATO observers.
AIR TO AIR REFUELLING (AAR)

Progress continues to be made towards the establishment of a European strategic tanker capability (AAR) by 2020. Under the lead of the Netherlands, one industrial solution has been identified with the expectation of a Memorandum of Understanding and contract signature by mid-2016 and Interim Operating Capability (IOC) by mid-2020.

Work is also ongoing on optimising the capabilities Europe already possesses or will possess in the near future: AAR compatibility assessments are being conducted on tankers owned by Member States in order to deliver AAR clearances to all European receivers and achieve synergies in in-service support and training with similar fleets in Europe.

REMOtELY PILOTED AIRCRAFT SYSTEMS (RPAS)

In 2015 EDA received a formal request from France, Germany and Italy to support the MALE RPAS Programme. Initial focus is on air safety, in coordination with other European stakeholders such as the European Commission and EASA. Activities focus on preparing the integration of military RPAS into non-segregated airspace and facilitating the development of future defence capabilities. The Agency also supports efforts to involve additional members in the development phase; and continues to support the MALE RPAS Community, sharing operational experience and exchange of information on national plans.

GOVERNMENTAL SATELLITE COMMUNICATIONS (GOVSATCOM)

Under the lead of Spain GovSatCom activities are progressing in close coordination with the Commission and ESA. A two-year ad hoc project for the next generation of GovSatCom was established in January 2015, aimed at delivering GovSatCom requirements and programmatic options by the end of 2016. The GovSatCom feasibility study was launched in June 2015 and a European industrial consortium is supporting the Agency in this process. In addition, and because GovSatCom is conceived as a dual-use programme, the Agency is addressing the potential governance framework, which will need to take into account the various potential stakeholders: Member States, EDA, the Commission, EEAS and ESA.

CYBER DEFENCE

Good progress has been made in 2015 especially as regards the preparation of two cooperative ad hoc projects: the Federation of National Cyber Ranges, and the Cyber Situation Awareness Packages for headquarters. The launch of their implementation phase is planned for 2016. The Agency has also started to prepare a Cyber Defence Joint Investment Program (Cyber JIP) to address research and technology aspects. Work also continued apace in 2015 on Cyber education, training and exercises, and human factors activities.

ANTI-TANK WEAPONS

Ministers of Defence endorsed the roadmap on anti-tank weapons with a view to establish tangible cooperative initiatives by late 2016. The activity received strong support from Member-States and subject matter experts have met to discuss current capabilities and future plans. Areas like harmonisation of requirements, investigation of joint procurement initiatives and exploration of cooperative opportunities for users of similar systems (training, maintenance or operation) were identified as with potential to be further developed. Moreover the study of both conventional (main battle tanks) and unconventional threats (such as bunkers, infrastructures, soft and cold targets, fast light vehicles) to better understand future anti-tank requirements is foreseen.
**BIO-JDEAL**

The Steering Board of November 2015 approved an initial roadmap for a potential deployable facility countering biological threats. The proliferation of biological agents means this threat to Member States’ forces employed on operations remains real. Furthermore, the use of biological weapons or devices, particularly by non-state actors, can have a disproportionate effect on morale. Enhancing CBRN capabilities in operations has been outlined in the Agency’s Capability Development Plan as a priority action. Following the Steering Board’s approval, an expert group started its work still in 2015 with a view to producing a Common Staff Target by the end of 2016 and a possible project launch by the end of 2017.

**MEDICAL SUPPORT**

The Programme Arrangement for the deployable Field Hospitals initiative (Multinational Modular Medical Units) is expected to be signed by the sixteen contributing Member States in spring 2016. On Aero Medical Evacuation (MEDEVAC), EDA is working on the identification of common requirements for the establishment of a shared capability to meet shortfalls in operations. Initiatives on common MEDEVAC training and materials were launched in 2015; further activities are expected in 2016 based on an ongoing study on MEDEVAC interoperability.

**MARITIME SURVEILLANCE (MARSUR)**

The full operational capability of MARSUR has been achieved; the intended technical developments have been completed and delivered to Member States for operational implementation. The next step is to support the Common Information Sharing Environment led by the European Commission.

**COUNTERING IMPROVISED EXPLOSIVE DEVICES**

Work has focused on developing training to support operations for both Countering Improvised Explosive Devices (C-IED) and Chemical, Biological, Radiological, Nuclear and Explosives (CBRNe). In 2015, EDA launched combined training on military search for Improvised Devices for CBRN. In addition, enhanced detection and identification of Improvised Explosive Devices (IEDs) while on the move is being addressed by the IED detection programme. In 2015 activities were focused on defining the technical scopes of three projects which will address early warning, stand-off detection, and future route clearance capabilities beyond 2020. Additionally the Agency is enlarging the scope of its two main C-IED programmes: the Joint Deployable Exploitation and Analysis Laboratory (JDEAL) and the Manual Neutralisation Techniques Courses and Exercises (MNT C&E).
Support to operations
**CSDP OPERATIONS**

Support to CSDP operations is one of the Agency’s key tasks as highlighted in the recent revision of the Council Decision defining the statute, seat and operational rules of the EDA.

As it did for operation EUFOR RCA in 2014, EDA is supporting EU NAVFORMED with a human resources management software and cyber defence awareness training in Rome. In addition, the operation has interconnected with the MARSUR network allowing Member States neighbouring the Mediterranean to start sharing data with a view to improving overall maritime situational awareness.

More generally, EDA also provides contractor support to operations on request. A Cooperation Arrangement was signed with the ATHENA Mechanism on 27 February 2015 to facilitate contracting support to CSDP military operations and missions. Under this arrangement support has been provided to EUTM Mali and EUFOR Althea. With a view to improving the procurement process, EDA is supporting the ATHENA Mechanism in setting up additional Framework Contracts to alleviate shortfalls in CSDP operations. As a first step, ATHENA joined the EU SatCom Market ad-hoc project in June 2015. In addition to the eleven contributing Member States, this has allowed EUTM Somalia, EUNAVFOR Atalanta and EUTM Mali to purchase satellite communications services through EDA. Work has started in view of establishing framework contracts in other areas, such as medical evacuation and support, camp infrastructure and management, and strategic transport.

Contract support has the potential to deliver civil-military synergies. In this context, the Civilian Operations Commander has expressed interest in CSDP civilian missions also benefitting from the EU SatCom market project and other future contract solutions.

**EXERCISES AND TRAINING**

The European Air Transport Fleet Category A Programme (19 Member States and Norway) has entered its second phase. It delivers tactical courses, training events and symposia dedicated to tactical airlift assets. In 2015, the various flying events accumulated 770 flight hours in 450 sorties. At the end of this year a permanent European Tactical Airlift Centre will be established in Zaragoza, Spain to take over the organisation and the execution of activities. Its Initial Operational Capability is expected in September 2016; and Final Operational Capability in 2019.

Since its launch in 2009, aircrew from 18 Member States (plus Switzerland, Norway, Brazil and Canada) have taken part in one or more of the EDA helicopter training activities. The EDA provides several individual and interlinked projects: Helicopter Exercise Programme (HEP), Helicopter Tactics Instructor Course (HTIC), Helicopter Tactics Course (HTC), Operational English Language Course (OELC). In 2015, among others, a flying event was organised in Viterbo, Italy. Over the course of Italian Blade 2015, 201 missions and 445 sorties were flown by the participants, accounting for a total of 618 flight hours. Missions of increasing complexity were conducted, with scenarios including air assault, close air support, combat search & rescue or medical evacuation.
Preparing the future
In 2015, the Agency further supported the European Commission regarding the Preparatory Action for CSDP-related research. The European Council in June 2015 recalled the need for the EU budget to ensure appropriate funding for the Preparatory Action for CSDP-related research, paving the way for a possible future defence research and technology programme in the next Multi-annual Financial Framework. In May 2015, the Steering Board endorsed the initial views of Defence Ministries on content, governance and modalities of the Preparatory Action. EDA and the Commission co-organised workshops to consult Member States and industry on how the Preparatory Action might best be set up to take account of the specificities of defence research. As a test-bed for the Preparatory Action, in 2015 the Commission launched a Pilot Project comprising two activities related to defence research and delegated their implementation (management and budget) to EDA. Additionally, Jorge Domecq was an alternate to HRVP Federica Mogherini in the Group of Personalities which published its report in February 2016.

EDA, the European Commission and ESA continue to work closely with Member States to develop proposals to further stimulate research for dual-use technologies: synergies between defence and civil research are being pursued, mainly under Horizon 2020, with a focus on: Key Enabling Technologies, CBRN protection, Cyber Security, RPAS, Materials research, Electronic Components/Modules and Space.

The Agency further pursues cooperative R&T – both enabling and system-oriented research and technology watch activities – to develop the technologies that will be required in future systems and platforms. Between 2004 and end of 2015, the EDA has managed more than 160 research programmes and projects with a total value of some €600m, enabling cooperative opportunities and synergies for Member States.
Strengthening European Defence Industry
The Agency is working on the definition and identification of Key Strategic Activities (technologies, industrial capabilities, and skills) at the EU level as a key driver for sustaining European strategic autonomy.

Through interaction with the Commission, the Agency has identified sources of support for defence-related SMEs and clusters, such as COSME, European Structural and Investment Funds, the Social Fund, and the partnership and advisory services of the Enterprise Europe Network. Further to the positive outcome of EDA’s support in facilitating access to ESIF in 2014, in 2015 the Agency enhanced its work with a new call for proposals: 30 projects have been selected to be supported by EDA in order to develop the applications.

Based on the EDA Supply Chain Action Plan, EDA has developed in cooperation with Member States and industry a comprehensive implementation plan and defined a set of prioritised actions. An EDA study will provide by April 2016 elements for establishing a common understanding of the European Defence Supply Chain and its key elements, as well as recommendations on how to improve suppliers’ access to cross-border markets. Furthermore, in 2015 EDA liaised with Central and Eastern European Member States and industry to identify measures to enhance balanced access to EDTIB, address barriers to defence cooperation across Europe, and support their efforts to become more active and visible within the EDTIB.

The Agency continues to pursue intergovernmental actions endorsed by Ministers in May 2015 as an input to the forthcoming Commission-led roadmap for a comprehensive EU-wide Security of Supply regime. The Agency stands ready to support the Commission in the development of its proposals. The potential for a Council Decision on Security of Supply is also being investigated with Member States.

EDA is implementing the SME Action Plan in close coordination with Member States, European Commission and Industry, focusing on areas identified by the European Council. Following Steering Board adoption in May 2015 of the updated ‘Guidelines for facilitating SMEs’ access to the Defence market’, further measures are under development.
In line with its mandates, the Agency is ensuring that the interests and specificities of defence are taken into account in a number of wider EU policies.
SINGLE EUROPEAN SKY (SES)/SESAR

EDA is facilitating the coordination of military views for SES and SESAR. The modalities for Single European Sky developed in close coordination with States, EUMC and other organisations including NATO, have been approved by the Steering Board. They include the creation of an "EDA SES Military Aviation Board" aimed at coordination and cooperation with States and international organisations to prevent an adverse impact on national and collective defence capabilities. EDA signed a Memorandum of Understanding with the SESAR Deployment Manager in June 2015 and continues to support Member States and NATO in identifying military projects that may benefit from EU funds.

SPACE

Beyond the GovSatCom activities described above EDA is preparing the ground for the elaboration in 2016 of a European Military Radio-navigation Policy to define in which situations and on which systems GALILEO services may be used in coordination with other GNSS solutions. In addition, future military imagery needs (post 2025-2030) are being explored to develop synergies with R&T developments.

REACH

The Code of Conduct on REACH defence exemptions was adopted in March 2015. It represents a major step towards the harmonisation of national procedures on granting REACH defence exemptions, aimed at alleviating the administrative burden and costs for defence industry. The Agency is preparing with Member States, and in close cooperation with the European Commission and relevant stakeholders, a prioritised REACH roadmap to facilitate coordinated action, in order to identify and focus efforts to mitigate the impact of REACH in defence, while contributing to the development of a competitive advantage for the European Defence Industry.

ENERGY

EDA continues to work closely with the Commission on organising the Consultation Forum on sustainable energy in the defence and security sector. The objectives are to facilitate the implementation of specific energy legislation (with a focus on energy efficiency and renewable energy); and identify with Defence Ministries potential challenges and solutions. In parallel the Agency continues to address the challenges deployed armed forces face as regards energy efficiency. In this context the Agency in October 2015 successfully installed the Smart Energy Camp Demonstrator to analyse the benefits of integrating new technologies into traditional power grids for deployed camps.

MARITIME

EDA is supporting the implementation of the EU Maritime Security Strategy (EUMSS) and associated Action Plan. In liaison with EEAS and the Commission, it is developing initiatives to address civil-military synergies with a focus on dual-use platforms, maritime surveillance, training and education, and research and technology. Furthermore the Agency, in cooperation with Member States, has organised conferences that focus on maritime affairs, specifically the challenges of implementing the EUMSS and the subsequent benefits that can be realised.
Defence enablers
EDA has developed an integrated approach to **Standardisation, Certification and Test & Evaluation**, which are key transversal enablers for cost-effective European cooperative projects. This will allow for standardisation needs deriving from the Capability Development Plan, CODABA, confirmed collaborative opportunities, R&T, and new or ongoing projects, to be identified at an early stage and injected into the Hybrid Standards’ Mechanism. In the same context EDA is further developing collaborative relationships with key stakeholders in the field of standardisation such as the European Commission, EASA, EUROCAE and NATO, in view of providing Member States with early awareness of technological trends that may affect in-service capabilities or trigger the need for update or replacement programmes.

Through the **EDA Military Airworthiness Authorities (MAWA) Forum**, participating Member States have completed the development of the **European Military Airworthiness Requirements (EMARs)** for airworthiness management, aircraft maintenance, training/licencing and certification. The harmonised EMARs that Member States have approved must now be implemented into national regulations as a basis for mutual recognition. Work is underway to develop the airworthiness regulatory framework necessary for military RPAS to operate in non-segregated airspace in close coordination with EASA and the European Commission. With a view to further lowering the cost of military certification EDA will, as a next step, develop harmonised European qualification and certification requirements for ammunition.

With a view to developing a harmonised approach to European T&E capabilities, the **Defence Test and Evaluation Base (DTEB)** strategy is being finalised, linking DTEB with the qualification and certification needs deriving from the CDP, CODABA and the European Network of National Safety Authorities.
Continued Partnerships
The Agency continues to reinforce its relations with third countries. Cooperation with Norway, through its Administrative Arrangement, continues to be mutually beneficial. The Framework for Cooperation with Switzerland and the Administrative Arrangement with the Republic of Serbia facilitate participation in Agency projects and programmes. The Republic of Serbia is in the process of joining the EU SatCom Market project. In addition, Switzerland assesses the possibility of joining certain EDA activities. An Administrative Arrangement with the Ministry of Defence of Ukraine was signed in December 2015. The former Yugoslav Republic of Macedonia submitted a letter to the Head of the Agency formally requesting the launch of negotiations of an Administrative Arrangement: exploratory talks at expert-level are pending.

The Administrative Arrangement with the European Space Agency, which was signed in June 2011, has helped improve synergies regarding space-related technologies and will be further called upon, for example in the domain of governmental satellite communications capabilities, where ESA and EDA already closely cooperate.

The Administrative Arrangement with OCCAR supports Member States’ collaborative programmes throughout their life-cycle. In area of Air-to-Air Refuelling, OCCAR is supporting contributing States as the management organisation for acquisition of multi-role tanker transport aircraft. In 2015 EDA and OCCAR revised the interface document for cooperation to facilitate greater synergies in project and programme management.

In 2015 the Agency continued to ensure complementary and mutually-reinforcing capability development with NATO in a spirit of transparency and reciprocity. To this end, EDA and NATO have substantive dialogue and cooperation, from top management to expert level. On a case-by-case basis, and on issues of mutual interest, EDA and NATO also participate in each other’s informal and ad hoc meetings. Further progress has been achieved in coordinating activities in areas of common interest as noted by Defence Ministers in May 2015, such as Capability Planning and Hybrid Warfare. Contacts with NATO also cover the Alliance's interest in wider EU policies such as Single European Sky.

Dialogue with the United States continued to develop, with a focus on synergies between Pooling & Sharing and related initiatives, capability development, and a range of policy and regulatory issues including REACH and Test & Evaluation Standards in CBRN.

On 16 November 2015, the EDA held its Annual Conference to address most up-to-date questions on European defence, and to propose ways ahead in various defence-related areas. Hosted in Brussels, the conference gathered about 400 defence leaders from the worlds of military, politics, industry and academics. The highlight of the Annual Conference were two special addresses delivered by Federica Mogherini, Head of the European Defence Agency, High Representative and Vice-President of the European Commission, and Jens Stoltenberg, NATO Secretary General. Both prominent guests emphasised partnership of the EU and NATO as well as the need to stand united to face current threats.

VISITS TO MEMBER STATES

Following his appointment as EDA Chief Executive in February 2015, Jorge Domecq visited all EDA Member States within 13 months. During the meetings in capitals, the Chief Executive underlined his personal commitment to work closely with all Member States. In his discussions with Ministers of Defence, senior military and government staff as well as industry representatives, Mr. Domecq emphasised ways to enhance defence cooperation on a European level.
Fostering Cooperation
Cooperation in defence leads to greater interoperability, more operational effect on the ground as well as to concrete savings throughout the life-cycle of a capability.

The decision to launch new cooperative defence programmes in the framework of the EDA lies with Member States. In order to incentivise cooperation, the EDA set-up different solutions and instruments:

- **At policy level**, to mainstream defence cooperation in strategic documents (Policy Framework for systematic and long-term cooperation);

- **at planning level**, to ensure that core priorities are reflected in national defence planning (Capability Development Plan);

- **at project level**, to support the development and implementation of projects.

The Agency has submitted to Defence Ministers the third annual assessment of the national implementation of the **Code of Conduct on Pooling & Sharing**; and, with the EEAS and in liaison with Member States, will prepare an interim assessment of the **Policy Framework for long-term and systematic defence cooperation**, to be submitted to Ministers next spring. The Agency is working on incentives to boost defence cooperation, inter alia by examining if the establishment of a defence fund could support Member States to cooperate more effectively and efficiently in pooled procurement projects.
2015 Facts & Figures
BUDGET: EUR 30.53M

STAFF: 123 (AS OF 31/12/2015)

NEW AD HOC ACTIVITIES: 22 FOR THE VALUE OF EUR 70 MILLION