



EUROPEAN DEFENCE AGENCY

PRESS RELEASE

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BRINGING TRANSPARENCY INTO THE EUROPEAN DEFENCE EQUIPMENT MARKET: CODE OF CONDUCT ON OFFSETS COMES INTO FORCE

EDA launches a groundbreaking approach to offsets on 1 July with the implementation of the Code of Conduct on Offsets.

First of all, the Code introduces much needed transparency to offset agreements, which up until now has often been lacking. To this end, an offset portal has been launched on the EDA's website, where for the first time ever, 26 countries that signed up to the Code, publish information on their national offset policies and practices, including national regulations and guidelines, offset requirements criteria and modalities.

Second, the Code provides for the evolving use of offsets to help develop industrial capabilities fully consistent with the objectives of the EDTIB Strategy; namely an industrial base that is capability driven, competent and competitive. As a result, the Code will help shape Europe's defence technological and industrial base, notably by facilitating the development of globally competitive Centres of Excellence and avoiding unnecessary duplication.

Last but not least, the Code introduces a 100% cap on offsets. Consequently, subscribing governments will neither request nor accept offsets exceeding the value of the relevant procurement contract. This is a crucial enabler in the process to reduce reliance on offsets. Similarly the Code's provision for mutual abatements will help cut down reciprocal offset obligations.

The Agency's Code comes together with an important implementation tool. The Reporting and Monitoring system - commonly developed with participating Member States and agreed by the Steering Board on 2 April - will help to ensure mutual transparency and accountability among subscribing Member States and Norway, so that they can be confident that the Code is working as intended.

The Code will be applied to offsets agreements signed from now on by all EDA participating Member States (except Romania) and Norway.

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- Background information –

The European Defence Agency (EDA) was established by the Council on 12 July 2004. It is designed “to support the Council and the Member States in their effort to improve European defence capabilities in the field of crisis management and to sustain the ESDP as it stands now and develops in the future”. More specifically, the Agency is ascribed four functions, relating to:

- a) defence capabilities development;
- b) armaments cooperation;
- c) the European defence technological and industrial base and defence equipment market;
- d) research and technology.

These functions all relate to improving Europe’s defence performance, by promoting coherence in place of fragmentation.

The EDA is an Agency of the European Union. High Representative Solana is Head of the Agency, chairman of the Steering Board, which acts under the Council’s authority and within the framework of guidelines issued by the Council.
