

EXPLANATORY MEMORANDUM ON A EUROPEAN UNION DOCUMENT

Report by the Head of the European Defence Agency to the Council

Submitted by the Ministry of Defence & the Foreign and Commonwealth Office on 4 December 2017.

SUBJECT MATTER

1. The report by the Head of the European Defence Agency (EDA) to the Foreign Affairs Council (Defence) (FAC (D)) describes the progress on the Agency's main output areas for 2017. The report provides an overview of EDA activities including: identification and prioritisation of cooperation opportunities support to technology and capability development, acting as a central operator with regard to EU funded defence related activities, interaction with key stakeholders and third parties and administrative issues.

SCRUTINY HISTORY

2. The Head of Agency's report for 2016 was cleared by the House of Lords European Union Committee at the Chairman's sift 1639 on 6 December 2016. The House of Commons European Scrutiny Committee cleared the document as not raising issues of legal or political importance in report 24, 16/17.

MINISTERIAL RESPONSIBILITY

3. The Secretary of State for Defence has overall responsibility for policy on Defence capability and procurement. The Chancellor of the Exchequer, the Secretary of State for Foreign and Commonwealth Affairs, and the Secretary of State for International Trade also have an interest.

INTEREST OF THE DEVOLVED ADMINISTRATIONS

4. Defence is a reserved matter under the UK's devolution settlements and no Devolved Administration interests arise. The Devolved Administrations have not been consulted in the preparation of this Explanatory Memorandum.

LEGAL AND PROCEDURAL ISSUES

5. There are no legal or procedural issues arising from this Council document.

APPLICATION TO THE EUROPEAN ECONOMIC AREA

6. None.

SUBSIDIARITY

7. Work carried out by the EDA is in support of Member States' efforts to improve their Defence capabilities and is carried out on an inter-governmental basis.

POLICY IMPLICATIONS

8. On 23 June 2016, the people of the United Kingdom voted to leave the EU. The Government respected the result and triggered Article 50 of the Treaty on European Union on 29 March 2017 to begin the process of exit. Until exit negotiations are concluded, the UK remains a full member of the EU and all the rights and obligations of EU membership remain in force. During this period, the Government will also continue to negotiate, implement and apply EU legislation.
9. The UK Government is content that the report broadly captures the key EDA activities for 2017 and that those activities are consistent with the scope of the EDA's competence and remit.
10. The report does not have implications for UK policy as it is a review of previous EDA work. The report provides information on EDA activity within Capability Development, including the four key programmes (Ait to Air Refuelling, Remotely Piloted Aircraft Systems, Governmental Satellite Communications and Cyber Defence), as well as new capability projects launched in 2017 such as Geospatial Information Management, Anti-Tank, Optimising Main Battle Tank capabilities in Europe, Counter-IEDs, Maritime Surveillance and Military Mobility.
11. It also covers the identification and prioritisation of cooperation opportunities; this includes the Capability Development Plan (CDP), Coordinated Annual Review on Defence (CARD), Collaborative Database, Overarching Strategic Research Agenda, and Key Strategic Activities. The UK recognises the benefits of these and is contributing to the CDP and CARD. The UK also welcomes the intent to ensure the coherence of output between the CDP and the NATO Defence Planning Process. Within Enablers and Incentives the UK was involved in the development of the European Military Airworthiness Requirements through participation in the EDA Military Airworthiness Authorities Forum. Within Education and Training, Rotary-Wing, the UK has provided the Chief Instructor of the Helicopter Tactics Course at Linton-on-Ouse since 2015. This is considered to be a flagship programme for the EDA delivering significant operational capability and interoperability with the UK at the forefront of its delivery. Similarly, we are involved in the area concerning Research & Technology where UK industry has benefited from the Preparatory Action on Defence Research (PADR).
12. The EDA's involvement in Security of Supply, Support to CSDP Operations/Missions, VAT exemption and the Cooperative Financial Mechanism are included in the report. We engage with the EDA to ensure the merits and practicalities of each activity are discussed with Member States and that they complement national activity. Our aim is to encourage a globally competitive European Defence Industry that delivers interoperable capabilities our Armed Forces need at the best value for money. We will continue to work bilaterally with the EDA and with our Letter of Intent partners to shape the Defence Industry agenda, influence action, and maximise the opportunities to the UK Defence Industry.
13. The EDA's involvement in wider EU policies and acting as a central operator to EU funded defence-related activities is also covered in the report. The EDA will take lessons learnt from its role in PADR in terms of any future involvement in potential future European Defence Research Programmes. Single European Sky is an area within wider EU policies where we have shaped and benefited from the EDA, facilitating €19M in savings through claw-backs. Maritime is also of interest to the UK with Maritime Surveillance being an area in which we are engaged in in order to steer the future direction of this capability.

14. The report also covers interaction with key stakeholders and third parties and sets out the working relationship with Norway, Switzerland, Ukraine and Serbia, countries who all have Administrative Arrangements with the EDA. Expert level talks with the Yugoslav Republic of Macedonia have taken place after a formal request for an Administrative Arrangement. Concrete areas of cooperation from the US (Department for Defence) were also submitted and are currently under assessment by Member States'. The implementation of the Administrative Arrangement with the European Space Agency and OCCAR also progressed well in 2017. 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 third parties, which were subsequently endorsed.

CONSULTATION

15. None.

REGULATORY IMPACT ASSESSMENT

16. Not applicable.

FINANCIAL IMPLICATIONS

17. None.

TIMETABLE

18. The report was noted at the FAC(D) on 13 November 2017.

OTHER OBSERVATIONS

19. None.



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