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The European Defence Agency and its Role in Support of Lithuanian Defence Industry

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Abstract

The aim of this document is to outline the historical development, roles and responsibilities of the European Defence Agency (EDA), decision-making procedures and discuss its activities that could support the Lithuanian defence industry. The findings show that the Agency continues to play an important role in coordinating participating member states (pMS) and their defence industries, enabling projects, suggesting prioritization tools, and fostering initiatives that seek greater strategic autonomy of the EU. The successful accomplishments of EDA initiatives depend on the 'national appetite' of pMS. The results of the research suggest a limited Lithuanian interest in the various EU programs, supervised by the EDA, that could boost the developments of the indigenous defence industry and research related to defence.

KEYWORDS: *EU, EDF, PESCO, CARD, R&T, KSA, CDP, OSRA.*

1. Introduction

The European Defence Agency (EDA) was established in 2004 to support the development of defence capabilities and military cooperation between participating member states (pMS), to stimulate Defence research and technology (R&T), to strengthen the European Defence industry, and to act as a military interface between the military and EU politics [1]. The roots of the agency can be traced back to 1976 when the first intergovernmental coordination body amongst Western European Union (WEU) countries was established. In the WEU it was an Independent European Program Group (IEPG) responsible for fostering cooperation on armaments procurement. Since 2004, multiple structural changes have occurred, leading to the inception of the current EDA. Currently, the EDA has gained momentum in executing defined tasks and, moreover, is actively looking for innovative solutions to enhance cooperation among pMS and their defence industries that will lead to greater European strategic autonomy within the defence sector.

As the geographical and economic size of pMS differs, the same principle goes for their respective defence industries. Sometimes smaller states, whilst participating within international organizations, could feel marginalised due to their comparative lack of power and influence. But what about the EDA? Are all countries treated equally, are all opportunities presented and left available to all pMS, is the decision-making procedure fair?

The aim of this paper is to outline the historical development of EDA, the roles and responsibilities of it, the decision-making procedures, and to discuss EDA activities that could support the Lithuanian defence industry as a small pMS in the EU. The paper defines possible EDA support for a small EU country such as Lithuania, and analyzes Lithuanian involvement within EU defence industry related projects. To the best of our knowledge, this is the first research on a particular topic.

There are few scientific literary sources that focus entirely on EDA. Those that exist can be grouped as country-specific, region-specific, or related to a specific paradigm. Antonio Calcara [2] analysed the French and UK engagements with the EDA, and their preferences towards the EU defence-industrial framework. Calcara [3] investigated the interaction of Italy with the Agency, France, and the UK through the theoretical approaches of Atlanticist, European, and Institutionalization. Nikolaos Karampekios [4] analysed the Greek engagement with the EDA. Kateina Ko [5] analysed the role of the Czech Republic in the EDA. She concluded that engagements with the EDA are seen as secondary, where NATO remains a priority of foreign security policy. Karampekios and Iraklis Oikonomou made one of the most significant attempts to define the role of EDA in the EU [6]. They used an interdisciplinary approach to unveil the development capabilities under the aegis of the EDA, which included strategic, industrial, institutional, and ideational sources of armaments collaboration. Meanwhile, other authors focused on particular topics related to the daily work of EDA. Torben Schütz [7] examined the role of the EDA in facilitating

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European approaches to handle technological innovations. Ivan Koblen and Frantiek Olejnk [8] analysed the role of EDA in R&T area and concluded that EDA provides great opportunities for the defence industry, research institutions and universities. Laura Chappell and Petar Petrov [9] analysed the role of EDA in Permanent Structured Cooperation (PESCO) projects as a way forward to encourage member states to withdraw from defence sovereignty. Mai'a Cross [10] analysed the relationship between pMS and EDA and concluded that pMS publicly accepted the norms developed by the EDA as a necessity for EU security. At the same time, pMSs were very resistant to the implementation of agreed norms. Oikonomou [11] analysed the involvement of the EDA in the field of space. Calcara [12] analyzed the roles of EDA and the European Parliament Subcommittee on Security and Defence and concluded that two entities 'formed a discursive coalition to promote the contested institutionalization of Defence research'.

Sources of the scientific literature that mention both the EDA and Lithuania are very scarce. Margarita eelgyt and Emil Indrait [13] reviewed the latest developments in European defence security, particularly the Common Security and Defence Policy (CSDP), PESCO, the Coordinated Annual Review on Defence (CARD), the European Defence Fund (EDF). The authors highlighted Lithuanian participation in PESCO projects and concluded that the Lithuanian position towards CSDP is becoming more positive. However, since current Lithuanian security and Defence choices are unlikely to change, the presence of NATO and the United States will be 'the main goals for Lithuanian security policy'. The authors foresaw that further Lithuanian involvement in CSDP will depend on the general dynamics within the EU, as well as the results of PESCO projects. Ieva Brzia [14] analysed the ecosystem of defence research and innovation (R&I) in the Baltic States; their policies and strategies, organizational and funding matters. The author concluded that defence R&I in the Baltic States is an underdeveloped area. The author claims that opportunities for defence R&I are provided by the EU and NATO, and suggests the need to 'take a strategic and long-term approach at the governmental level'. Vilém Koln [15] analysed Central and Eastern European Defence industries, but mentioned few details about Lithuanian Defence industry, without further elaboration on Lithuanian Defence industry. This article aims to contribute to the ongoing discourse on the participation and support of the EDA for the defence industries of small EU states and provides more details on the Lithuanian case.

The first part of this paper discusses and outline the historical development of the EDA. Furthermore, the importance of industrial involvement for EU institutional change and the mission, tasks, and role of the EDA are analysed. In the second part, the internal and external decision-making processes related to the EDA tasks and processes connected to the EU projects that are supervised by the EDA are overviewed. In the third part, Lithuanian participation in activities of the EDA is analysed as a case study. In addition, a comparative analysis of the participation of Lithuanian and similar size EU countries in EU projects related to the defence industry and R&T is conducted.

Primary and secondary data sets were used for the analysis. Primary data was collected during the virtual internship in the EDA, whilst conducting interviews, analysing official legal acts, factsheets, policy papers, speeches and public announcements, and from news agencies. The data gathered during the internship was publicly available or open to pMS. Secondary data was collected from research articles published within the last 10 years, using the key words 'EDA' and 'Lithuania' in the web resource 'Google Scholar'. The content analysis was used as the main methodical tool with other methods being used in the different parts of the article. In the first part, timeline analysis was used to characterize the development of the EDA; in the second part, a quantitative comparative analysis was used to reveal decision-making processes in relation to the projects that are supervised by the EDA. In the third part, qualitative and quantitative analyzes were applied to highlight the results of Lithuanian participation in initiatives promoted by the EDA and various other EU projects. The data for the study were selected in 2020; therefore, the latest developments in this field are not reflected in the study.

2. The European Defence Agency

1.1. Retrospective of the European Defence Agency

While describing the inception of the EDA, the focus will be given on the actual developments in the field of defence industry and interrelations with WEU/EU bodies rather than the overall structural developments in WEU/EU. The first understanding within the WEU members on the actual need for an intergovernmental coordination body appeared as a consequence of the cooperation between the WEU decision makers and the defence industry. As a result, the IEPG – an independent and informal forum – that had to promote the European collaboration in defence equipment matters – was established in 1976. At that time, the members of the IEPG were all member states of the European NATO [16]. The first official requirement for enhanced cooperation in the field of armaments was outlined in the Declaration of the WEU Ministers agreed in Maastricht in 1991. In 1992, following the agreement, WEU Defence Ministers settled on the creation of a future organization that would serve as a single armament cooperation forum in Europe. The Ministers also admitted that the future organization should be managed by the Armaments Directors and be accountable to the Ministers of Defence of each of the participating countries. The formal transfer of IEPG functions

to the new organization 'Western European Armaments Group' (WEAG) was agreed in May 1993. The outcome of the feasibility study initiated by WEAG stimulated creation of the Western European Armaments Organisation (WEAO) in November 1996 as a subsidiary of WEU. Further analysis of European armaments cooperation led to the approval of the Masterplan for the European Armaments in 1998. The masterplan envisioned the setting up of a single European Armaments Agency [17]. 2001 was the right year to focus on the idea of creating the European Armaments/Defence agency, as WEU/EU countries gathered to discuss the future of Europe. The impetus for this was evident as the USA was succeeding in its arms R&T field, European countries were leaving various programs executed by the Organization for Joint Armament Co-operation (Conjointe de Coopération en matière d'Armement) (OCCAR), European defence budgets were declining and active lobbying activities were taking place. The final report of the Working Group on Defence indicated that WEAG lacked decision making authority and was too complicated; therefore, based on the consensus of Group members, the requirement for a new framework was clear. The Working Group indicated tasks for the future Agency and further cooperation aspects with WEU/EU organizations. In June 2003, the Thessaloniki Council confirmed the idea of establishing EDA and tasked the respective Council body to implement the decision during the year 2004. The Agency Establishment Team, created in November 2003, facilitated the creation of EDA. The team continued its work until 12 July 2004 when the European Council adopted a Joint Action that signifies the establishment of the EDA. The activities and responsibilities of WEAG and WEAO were combined into EDA in the first quarter of 2006 [18].

The globalization of the armament markets and the shrinking defence budgets had a significant motivational effect for subsequent optimization and reforms. Besides the structural development in WEU/EU, a few European countries made steps to strengthen their defence industries. The first step of the cooperation was shown by France and Germany who decided to set cooperation rules, known as the Baden-Baden agreement in 1995. Thereinafter, Italy and the UK joined in, and OCCAR was established in November 1996. In 2020, OCCAR consists of six member states and six countries being as non-member participating states. The organization manages a number of programs the highest profile of which include the A400M, FREMM, Tiger, and Boxer projects. In July 2012, the EDA signed an administrative arrangement with OCCAR that enabled a closer collaboration between the two major actors within the European defence cooperation field [18, 19]. The second step of the cooperation was an Inter-governmental Letter of Intent (LoI) group signed in 1998, with the Treaty, ratified in 2001 on the Measures to Facilitate the Restructuring of the European Defence Industry. The LoI was signed by France, Germany, Italy, Spain, Sweden, and the UK and focused on the arms export procedures, security of supply and information, R&T, intellectual property rights, and harmonisation of military requirements [20].

The role of defence companies/associations was also an important factor in facilitating the creation of a central WEU/EU forum for European armaments cooperation. The necessity to cooperate with defence companies' in this construct was evident as was the WEU Defence ministers brainstorming of future ideas for WEU armament cooperation venues in December 1992. At that moment ministers agreed to maintain links with the European Defence Industries Group (EDIG) that united national defence industry associations' of IEPG participating countries. One decade later, some major aerospace and defence companies in Europe stepped in to confirm the requirement for a strong armaments agency that would overcome the shortfalls of all previously established institutions. In 2002, Thales Group and European Aeronautic Defence and Space Company (EADS) were promoting the idea of the European Security and Defence Research Agency. Before the Thessaloniki Council meeting in April 2003, BAE Systems, EADS and Thales' CEOs released an open letter to British, French, German, and Spanish daily newspapers urging for greater consolidation of the European defence industry through the creation of a new European Defence agency for strategic armament and research [18].

In summary, the idea to synchronize the activities of European governments and defence companies in the defence sector was evident throughout the years. It started with the IEPG, established in 1976, and ended with a current EDA establishment on 12 July 2004. LoI and OCCAR cooperation venues were established as countries did not recognize the effectiveness of the existing WEU/EU bodies, responsible at that time for proper coordination in the armament field. The inception of EDA was strongly supported by various defence companies/associations that believed in the necessity and importance of an EDA in the future to ensure consolidation of European defence industry efforts.

1.2. Mission of the European Defence Agency

The EDA mission is highlighted in the decision of the Council of the EU made in 2004, revised in 2008, 2011, and 2015. According to the mission statement, EDA is to support Member States (MS) in improving their defence capabilities, to lead development processes of key defence capabilities required to implement CSDP, and strengthen the EU's Defence technological and industrial base (EDTIB). Furthermore, EDA is to define European capabilities and armaments policy, support the evaluation of MS military capabilities and implementation of PESCO, and facilitate

military cooperation among EU MS, LoI, OCCAR, European Space Agency, and EU institutions. The decision of the Council of EU on the establishment of EDA defines procedures, tools and ways to implement the tasks. Additionally, EDA's Long-Term Review, approved by the pMS Defence Ministers in 2017, provides insights into EDA's future engagements in the field of EU defence. Based on the Long-Term Review, EDA is striving to become a cooperation forum for the technology and capability development activities, to act as a central operator of EU funded defence-related activities, and to exploit EU policies to the benefit of the collective defence sectors [21, 22, 1]. One can see the EDA's willingness to lead with the processes of the harmonization of defence industry inside the EU and the agency is actively engaged with EU institutions and defence industry, playing a vocal role in regards to EU funded defence-related activities and facilitating projects for further implementation by pMS. In the future, it is highly likely that EDA tasks and functions reflected in the Council of EU decision will be revised at the first opportunity to reflect the actual EDA's engagement in the different projects and outline its importance.

Capability Development Plan (CDP), Overarching Strategic Research Agenda (OSRA) and Key Strategic Activities (KSA) are the main EDA's tools that help to streamline EU activities in the field of defence and defence industry and seek to enable a greater EU strategic autonomy in military capabilities. CDP, OSRA and KSA are considered by the relevant EU bodies when the decisions for the future developments in the field of the EU defence industry are made [23].

The first CDP was released in 2008 after thorough consultation with pMS, EU Military Committee (EUMC) and EU Military Staff (EUMS); and guided major developments in the EU defence field. It is based on the Headline Goal Process, outputs of studies on short-, mid-, and long-term security issues, capability and technology development trends, analyses of capability shortfalls, main findings from Integrated Development and Project Teams, Capability Technology and Ad hoc working groups, and lessons learned from CSDP operations. CDP supports decision-making processes of EU institutions and facilitates processes inside EU countries in terms of required defence capability. The CDP released in 2016 guided four EU capability programmes that were launched in 2013; and facilitated the implementation processes of new EU defence initiatives such as EDF, CARD, and PESCO. The CDP 2018 edition includes 11 EU Capability development priorities. Content analysis of CDP, interests by EDA's Working groups and Capability technology groups, PESCO projects, and EDA's programs indicate a certain alignment among all of them. CDP provides unrestricted flexibility for pMS to implement various projects in the field of EU defence, and allows them to experiment in the wide areas of their competencies. Moreover, CDP plays a central role in defining the future developments in the EU defence sector [24].

OSRA ensures the link between CDP and defence research activities. It provides a structured and transparent prioritization mechanism for collaborative European defence research. OSRA consist of Technological Building Blocks (TBBs) and their roadmaps that are developed by EDA's Capability Technology Groups with the participation from pMS and industry. There are already 139 TBBs and respective roadmaps developed by EDA in 2020, with twenty of them being a priority. TBBs highlight technological gaps that potentially hamper developments in the defence sector, therefore TBBs could be seen as future proposals for particular projects or studies to be implemented in the defence R&T while using various EU mechanisms [25].

KSA highlights technologies, manufacturing capacities and skills that must be sustained and improved in order to ensure the independence of EU defence capability. At the moment, twenty-four KSAs are in development; eleven of them are related to the areas defined in the EU Capability development priorities, and thirteen KSAs are related to the prioritized TBBs. KSA fuses the views reflected in CDP and OSRA in a coherent manner, and is designed to shape the future EU investment and policy instruments to ensure a greater European strategic autonomy. KSA is not an autonomous process and is linked with the developments in the CDP and OSRA. KSAs are prioritized based on their relevance to CSDP operations, European strategic autonomy, security of supply, and technological edge. Identification of KSA is a demanding process, and therefore, it is constantly being monitored by the EDA Steering Board [23].

In summary, the tasks of the EDA would be updated in the future by the EU Council, as a variety of new EDA initiatives are launched within a given mission statement. These initiatives will support more agile developments across the EU Defence field. The Steering Board has the responsibility to encourage and guide developments in that regard, as innovative approaches conducted by EDA are valuable and well recognized by pMS. The analysis done shows a harmonized approach within EDA and, moreover, demonstrates an increased manoeuvre space available for pMS.

3. The decision-making process in relation to supporting the EU defence industry

Based on the Council of EU decision, EDA can develop and execute its own programs, and coordinate other initiatives and programs developed by different EU entities. Therefore, it is important, firstly to audit any decision-making cycle over programs run by EDA, and secondly to clarify EDA's responsibilities in regard to programs and initiatives related to EU defence but launched by other EU entities.

The Council of EU provides clear instructions that define EDA's responsibility and accountability. The Council of EU supervises the Agency via issuing guidance and concluding administrative arrangements between EDA and third countries/parties. Political and Security Committee and EU Military Committee advise the Council on issuing guidance for the EDA's three-year Planning Framework. The Council of EU foresees that the High Representative of the Union for Foreign Affairs and Security Policy (HR) has overall responsibility for organizing EDA's activity (Fig. 1). It is important to note that the HR has multiple responsibilities while coordinating Common Foreign and Security Policy within the EU. The HR is one of eight vice-presidents of the European Commission, and participates in the Heads of State or Government meetings in the European Council, chairs Council of EU during Defence and Foreign Minister meetings. The HR also leads the European External Action Service (EEAS) and chairs the Board of the European Union Institute for Security Studies [26]. The HR ensures the implementation of decisions made at the EDA Steering Board by the EDA Chief Executive. The HR, is often required to negotiate administrative arrangements and establish working relationships with third parties and chairs the EDA's Steering Board (with no voting rights), presents EDA's reports to the Council of EU, and presents next year's EDA budget for approval. The EDA Steering Board is the main decision-making body in the Agency (Fig. 1) and meets a minimum of two times a year at the level of Defence Ministers. Based on a schedule and necessity, National Armaments Directors, Defence Policy Directors, Capability Directors, or R&T Directors meet in order to perform five key responsibilities. These main responsibilities of EDA Steering Board include: 1) to approve papers to be submitted to the Council of EU; 2) to approve a 3-year EDA planning framework, budget, and projects; 3) to appoint a Chief Executive; 4) to conclude administrative arrangements with third parties; and 5) to establish a committee for a specific issue within the Agency's remit. The Steering Board makes decisions based on a qualified majority2 with an exception for approving EDA budget where the decision is taken by unanimity. The EDA has to maintain working relations within the framework of existing arrangements, groupings and organisations such as OCCAR, EEAS, European Space Agency [21].

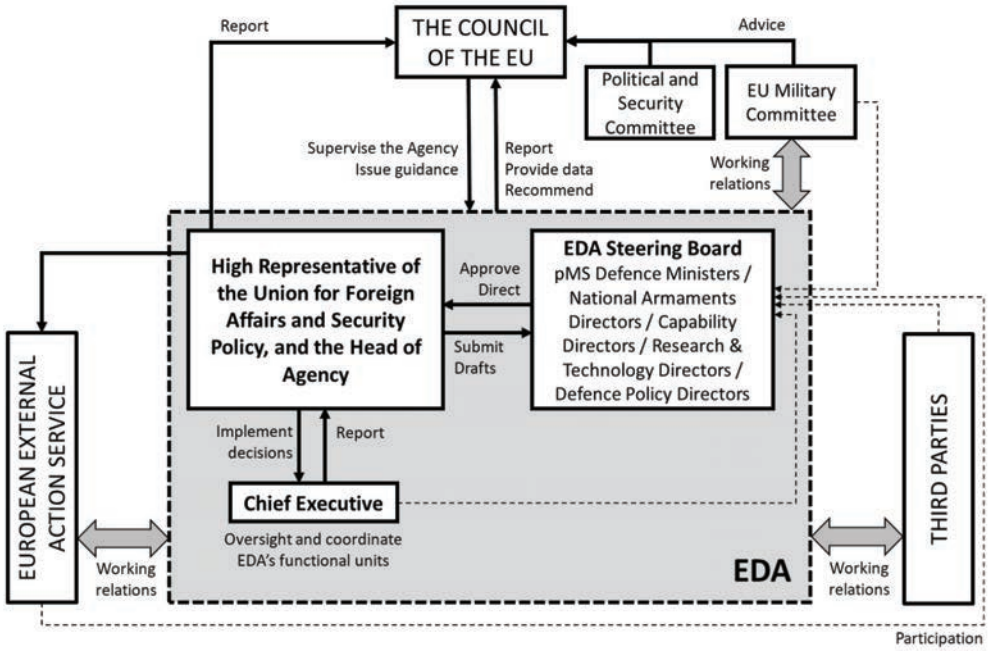

Fig. 1. EDA's supervision and working relations with other players.

As the EDA's Steering Board could gather in different formats, decisions are made accordingly, e.g. a Board consisting of pMS Capability Directors endorses CDP; R&T Directors – TBBs and roadmaps. However, this is not a fixed rule. The Council of EU, as already described, has supervision powers over the Agency, however, the focus is narrowed to the approval of required guidance. Whilst making decisions related to EDA, the Council of EU meets at the level of Defence Ministers. Therefore, it is obvious that the most important decisions made in relation to EDA are taken by pMS Defence Ministers either at EDA's Steering Board or in the Council of EU.

Besides owning programmes, the EDA is responsible for a specific part of the program (Annex 1) initiated by other EU bodies. In this case, decisions are made by European Parliament, European Commission or Council of

[2] A qualified majority is defined as at least 55% of the members of the Council, comprising at least fifteen of them and representing MS comprising at least 65% of the population of the Union. A blocking minority must include at least the minimum number of Council members representing more than 35% of the population of the pMS [49].

EU. Herein, EDA's role is limited to a specific, predefined action, followed by the formal agreement, e.g., European Commission and EDA agreement on the implementation of a Preparatory action on defence research (PADR). As of today, EDA is running CARD, PESCO, EDF (only PADR), European Defence Industrial Development Programme (EDIDP); and provides procurement support for EU CSDP missions. In terms of CARD and PESCO, EDA's role is restricted to the shared secretariat function, including tasks to collect and proceed information, and further to present results to pMS and the Council of EU (Annex 1). In relation to EDF, particularly with PADR, the EDA is responsible for the management and evaluation of the projects, organizing tenders and reporting to the European Commission. In the case of EDIDP, EDA's roles are limited to the provision of expertise and observer functions; however, this does not restrict the EDA's ability to facilitate pMS for a more collaborative approach.

In summary, all major decisions taken by the EDA are taken by pMS Defence Ministers either in the EDA Steering Board or in the Council of EU. Decisions are taken by a qualified majority rule, with an exception for approving EDA budget where pMS unanimity is required. Other programs, where EDA plays a limited role, are supervised by European Parliament, European Commission, and the Council of EU.

4. Lithuania's engagement in day-to-day activities of the European Defence Agency

Lithuania has been a member of EDA since its establishment in 2004. In 2007, EDA Steering Board provided recommendations for pMS regarding voluntary collective benchmarks for defence investment. It was recommended to keep 20% of total defence spending allocated for the equipment procurement, where 35% of total equipment spending should be foreseen for European collaborative procurement. It was also recommended to allocate 2% of total defence spending for defence R&T, where 20% of total amount should be foreseen for European collaboration. The data from 2018 shows that recommended benchmarks for pMS (20%, 35%, 2%, and 20%) reached 19.9%, 17.8%, 0.9% and 7.3% value respectively [27]. In 2018, Lithuania allocated 31.8% of defence spending for equipment procurement where 23.3% were foreseen for European collaborative procurement. One percent of total defence expenditure was foreseen for R&T, however with no collaboration in R&T [28]. These results indicate a limited engagement of Lithuanian defence companies in EU facilitated R&T projects, and reinforce the fact that the most recent defence procurements were conducted with the USA. However, the increase of collaboration and involvement of Lithuanian defence companies in R&T projects might be facilitated by a whole Government approach.

Lithuania takes part in four Capability programs lead by EDA: Air-to-Air refuelling, remotely piloted aircraft systems, Governmental satellite communication, and Cyber defence. Lithuanian subject-matter experts participate in all EDA's Capability technology and Working groups [29, 30].

In 2015, EDA took the leading role in the procurement for Carl-Gustav ammunition with an estimated value of up to 13.6 million Euro. The procurement came under an arrangement between EDA and Estonia, Latvia, Lithuania, the Czech Republic, Poland that was signed on 23 April 2013. This initiative was a part of EDA's Effective Procurement Methods, which allow pMS to acquire defence items in a more efficient way [31].

Participation in EDIDP and PADR likely requires a deeper initiative from Lithuanian companies and research institutes (Annex 2). In the latest EDIDP 2019 call, a total of 223 commercial/government/research entities were supported by the funds. Of these, only one was a Lithuanian company – UAB Elsis Pro participated in PEONEER project–with other nine entities from seven countries with an overall value 8.84 million Euro. The project was not related to any PESCO project. In contrast, entities from the other two Baltic States participated more actively in EDIDP. For example, Latvia and Estonia participate in two and four different projects respectively, with two and six entities being involved, respectively, while one of the projects – iMUGS is coordinated by Estonian company Milrem AS.

As stated by the EDA Executive, the EDA is designed to support pMS with their PESCO projects. The EDA Executive believes that the tendency for pMS to request EDA's support should grow in the upcoming years, and therefore the EDA will be preparing for a gradual shift in responsibility. In 2020, EDA is already providing Agency's know-how for four PESCO projects and two projects are being coordinated by EDA [32]. Lithuania is involved in three PESCO projects: coordinates Rapid Response Teams and Mutual Assistance in Cyber Security project; and participates in Network of Logistic Hubs in Europe and Support to Operations; and Military Mobility (Annex 3). The latest recommendation of the Council of EU on PESCO progress is to accelerate the implementation processes by pMS as two-thirds of the projects remain only at their initial phase. In this regard, the project coordinated by Lithuania is already underway and on track to reach full operational capability with one Cyber reaction team already on duty since 2020 [33, 34]. The pMS'es identical to Lithuania are similarly ambitious towards PESCO: Estonia coordinates one and participates in three projects; Latvia participates in three projects; Slovenia participates in four projects.

An additional stimulus for countries to join EDA projects is VAT exemption. In the most recent update of EDA's statute, released in 2015, it is stated that 'cooperative defence projects and programs are exempt from VAT as long as the Agency adds value to the initiative.' VAT exemption can be applied to any project and program where the Agency adds value [35].

The EDA is aiming to facilitate developments of Defence Small- and Medium-sized Enterprises (SME) in Central and Eastern European Countries with the aim to integrate in the best possible way into EDTIB. Several area studies were conducted with a recommendation to focus on defence procurement cooperation, to continue with identification of common projects, and investment in ways to increase defence industry capabilities [36, 37].

To facilitate SMEs, EDA launched an SME Action plan that stimulates clustering, links with universities, and shares best practices. In reality, the Defence procurement gateway was established in 2013, a number of seminars were organized, handbooks were published, variety of studies, modelling and simulation were conducted, and access to EU programs such as European Structural and Investment Fund (ESIF) and Programme for the Competitiveness of Enterprises and SMEs (COSME) were granted to SME or clusters (Tab. 1). COSME provides dual-use or long-term loans for defence-related SMEs, venture capital, range of free of charge services [38].

Table 1.

Year	Project name	Country	Number of entities	Budget, million Euro
2014	TURTLE	Portugal	4	1.3
2016	IDAAS	Poland	1	2.2
2016	ALIR-MCS	Portugal	5	1.2
2017	Technical aspects and threat vectors of cyber hygiene	Estonia	2	3.0
2017	Rage extent for Remotely Piloted Aircraft Systems	Poland	1	2.0
2017	Autonomous Composting Unit	Greece	1	1.3
2017	Cyber conflict simulator	Croatia	1	0.5
2017	Study SPACE NOSTRUM	France	7	0.5
2017	Cyber defence training	Italy	5	7.1
2018	CLOSE to Earth	Italy	no data	9.2
2020	Active Protection Costume EOD	Romania	3	4.8

ESIF funding provided for the EDA's facilitated projects [39]

Countries similar to Lithuania were actively engaged in ESIF projects. Two Estonian entities CYBEXER Technologies OÜ and the Tallinn University of Technology were awarded 70% co-funding option in verifying technical aspects of cyber hygiene. The overall project value 3 million Euro, where 0.3 million Euro were requested for the initial phase. Croatian SME, supported with Croatian MoD secured 80% funding from ESIF for creating a fit-for-purpose Cyber defence simulator. The total value of this project 0.55 million Euro.

As EDA has to engage Defence companies in day-to-day work, it normally cooperates with National Defence Industry Associations and the AeroSpace and Defence Industries Association of Europe (ASD) that unites more than 3000 companies, 18 major European industries and 23 National Associations. Lithuanian defence industry is represented by two defence associations: Lithuanian Defence and Security Industries Association, and National Defence Industries Association. To note, none of the Lithuanian defence associations', or individual defence companies belong to ASD [40, 41].

To facilitate the exchange of information, EDA has created multiple platforms and databases that unite various participants, enable collaboration, and provide timely information. Business-to-business (B2B) platform is one of them, where EU commercial entities, universities, research institutes can find partners to exploit opportunities related to defence sector, e.g., contracts, R&T projects. Lithuanian companies are registered and are using B2B platform [42]. Another EDA's database – Defence Industry Directory – helps in finding required defence suppliers and service providers [43]. A separate platform for EU Contractor Support to Operations was initiated to facilitate development of commercial solutions that support operational needs [44]. Some of the databases, e.g., CODABA – provides information about the plans and programs in relation to national defence capabilities, and is restricted to the governmental users only [45]. Additionally, EDA proposed a government-to-government online tool e-QUIP to sell or transfer surplus military equipment or services. In the past, e-QUIP was a cost-free platform that allowed pMS to exchange information and later – bilaterally finalise transaction processes [46]. However, at the moment e-QUIP is not functioning anymore. EDA's gateway IdentiFunding facilitates access to funding at the European level, by measuring the potential eligibility of proposed projects to be funded by various EU funding opportunities

[47]. EDA also shares respective links to national defence entities, National Defence Industry Associations, R&T hubs, clusters, EU procurement website, and specific EU websites that announce various tenders, and informs about upcoming defence industry exhibitions. EDA website users can find information on national positions on the security of supplies, details on the European Defence Standardization, national exemptions in the field of European Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals [48]. Regardless of the fact that there is no exact data available defining Lithuanian users' activities in various EDA platforms and databases, all necessary information for an individual, business, and ministerial users are available depending on the access type.

To conclude, Lithuania, whilst being a pMS from the EDA's inception, has been engaged in most of its activities. The EDA's recommendations regarding a spending threshold for defence R&T, and collaborative EU procurements are followed by Lithuania to a lesser extent, as indigenous defence industry and national R&T institutions have needed to grow their capabilities. As a result, Lithuanian companies are not deeply involved in the defence-related EU programs. However, activities of other pMS countries with similar population sizes show promising results. As an example, Estonia is engaged in ESIF project, participates in four PESCO projects, six national entities participate in four EDIDP projects. It was identified, that some of EDA's projects could instantly and directly contribute to the Lithuanian defence industry and R&T sector. These are projects such as combined armament procurements and/or the usage of VAT exemption. The EDA aims to facilitate the transformation of Central and Eastern European Countries defence industries, which would foster the further development of Lithuanian defence companies. All the necessary tools, programs developed, implemented, and led by EDA are available for pMS convenience; however, the optimal results are dependent on the requisite level of national ambition.

5. Conclusion

The establishment of the EDA in 2004 contributed to the inception of the central coordinating body responsible for the positive developments in the EU defence industry. As defence-related EU initiatives are part of routine practices, the EDA continues to play a major role in ensuring coordination amongst pMS industries and to propose and enable various projects, prioritization of approaches, and other initiatives, seeking greater EU strategic autonomy within military capabilities.

Major decisions in relation to the EDA are taken by pMS Defence Ministers either in the EDA Steering Board or in the Council of EU. A qualified majority rule is applied in EDA and other EU institutions while making decisions, therefore Lithuania, as well as other small pMS, have to exploit the patronage of large EU states and rely on the support from their defence industries.

Lithuania, being a pMS from the EDA's inception, is engaged in various EDA's activities. Stronger involvement of Lithuanian defence industry and R&T institutions is anticipated in EU programs, enabling a gradual development of indigenous defence industry and defence related R&T. Examples from small EU countries, such as Estonia, indicate that multiple opportunities for the development of their own defence industry and R&T base are available if to exploit available opportunities proposed by EDA or other EU institutions. Therefore, it can be assumed that the EDA's role in promoting various opportunities for pMS Governments and businesses, is reaching the required target audiences. The EDA is constantly developing and proposing a variety of new tools and programs for pMS that ensure greater EU strategic autonomy, but nevertheless, the successful accomplishment of EDA's initiatives really depends on the national pMS appetite.

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Continue (Countries – participants in PESCO projects)