



OCCAR-EA **Policy Paper**

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Record of changes

Date	Issue	Changes
08/12/06	1	Initial issue as harmonised by the FTPC and approved at the 15 th BoS

Statement on Global Balance

To be used for external communication

The OCCAR Convention sets out the Member States political determination to improve the efficiency and reduce the costs of their armaments co-operation and strengthen the European Defence Technological and Industrial Base. Experience has shown that too much emphasis on strict and rigid work share arrangements reduces the potential to reap the full benefits of competition and cooperation. Accordingly, the OCCAR Member States have renounced to the analytical calculation of industrial *juste retour* on a programme-by-programme basis and have replaced it by the pursuit of an overall and flexible multi-programme/multi-year balance of work share against cost share: the concept of global balance.

For the time being, this principle is being implemented and monitored in a pragmatic way, from prime contractors to sub-contractors' levels, for all States participating in OCCAR programmes.

OCCAR-EA is responsible for recording global balance data and it is on the basis of this data that the BoS will consider what action, if any, might be taken to rectify an imbalance should one occur.