

The European Defence Agency (EDA) and Saab Dynamics AB have signed a multi-annual framework agreement for the provision of different types of ammunition for the '[Carl-Gustaf](#)' recoilless anti-tank weapon.

The framework agreement will last five years and includes a possible renewal of two more years, with an estimated value of up to € 50 million. The agreement was finalised on 30 June 2014.

The framework agreement comes under a procurement arrangement between EDA and Estonia, Latvia, Lithuania, the Czech Republic, and Poland, agreed on 23 April 2013. Under this arrangement EDA acts as the central purchasing body, taking the leading role in the procurement procedure for Carl-Gustaf ammunition in the framework of EDA's Effective Procurement Methods (EPM) initiative. EDA will also be in charge of managing the framework contract to fully exploit the effects of pooling demand.

This case presents useful opportunities for pooling of demand due to the communalities of the ammunition. Common procurement was seen as the best option by contributing Member States to benefit from economies of scale, cost reductions, and efficiency in spending. This solution allows contributing Member States to purchase ammunition according to their national needs while coping with different budget cycles. The agreement also allows other EDA Member States to join the initiative at a later stage.

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