

Act in Support of Ammunition Production

2023/0140(COD) - 03/05/2023 - Legislative proposal

PURPOSE: to establish the Act in Support of Ammunition Production (ASAP).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Russia's military aggression against Ukraine has marked the dramatic return of territorial conflict and high-intensity warfare on European soil. The production capacity of the European Defence Technological and Industrial Base (EDTIB) has been therefore tailored to respond primarily to limited Member States' needs, mostly along national dividing lines, due to decades of public underinvestment.

Considering the situation in Ukraine and of its pressing defence needs in particular for ammunition, the Council of 20 March 2023 agreed on a **three-track approach**, aiming at providing one million rounds of artillery ammunition for Ukraine in a joint effort within the next twelve months. It agreed to urgently deliver ground-to-ground and artillery ammunition to Ukraine and, if requested, missiles from existing stocks or the reprioritisation of existing orders. It further called on Member States to jointly procure ammunition and if requested missiles from the European defence industry (and Norway) in the context of an existing European Defence Agency (EDA) project or through complementary Member States-led acquisition projects, in order to refill their stocks while enabling the continuation of support to Ukraine.

To support these efforts, the Council agreed to **mobilise appropriate funding** including through the European Peace Facility (EPF). The Council also tasked the Commission to present concrete proposals to urgently support the **ramp-up of manufacturing capacities** of the European defence industry, **secure supply chains**, facilitate efficient **procurement procedures**, address **shortfalls in production** capacities and promote investments, including, where appropriate, mobilising the Union budget.

The Instrument will complement planned EU instruments such as the European Defence Industry Reinforcement through common Procurement Act, and existing EU programmes such as the European Defence Fund as well as EU defence initiatives such as the Permanent Structured Cooperation (PESCO) or the Strategic Compass for Security and Defence. It will also generate synergies with other EU programmes.

CONTENT: against this background, the Commission presents this proposal which seeks to establish a set of measures and lay down a budget aimed at urgently strengthening the responsiveness and ability of the European Defence Technological and Industrial Base (EDTIB) to ensure the timely availability and supply of ground-to-ground and artillery ammunition as well as missiles ('relevant defence products'), in particular through the following:

- an instrument financially supporting industrial reinforcement for the production of the relevant defence products in the Union, including through the supply of their components;
- the identification, mapping and continuous monitoring of the availability of the relevant defence products, their components and the corresponding inputs (raw materials);

- the establishment of mechanisms, principles, and temporary rules to secure the timely and lasting availability of the relevant defence products to their acquirers in the Union.

Eligible actions

The Instrument will provide financial support for actions addressing identified bottlenecks in production capacities and supply chains with a view to secure and accelerate production to ensure the effective supply and timely availability of the relevant defence products.

Financial support will be provided to actions contributing to:

- optimising, expanding, modernising, upgrading or repurposing existing production capacities;
- establishing new production capacities;
- establishing cross-border industrial partnerships, including through public-private partnerships, aiming, for instance, at securing access to or reserving stocks of strategic components or raw materials;
- building up and making available reserved surge manufacturing capacities;
- testing or reconditioning (to address obsolescence) processes with a view to making existing ammunition and missiles useable;
- reskilling and upskilling related workforce.

In addition, the instrument will facilitate access to finance for EU companies in the field of ammunition and missiles, possibly through a specific mechanism, the ‘Ramp-up Fund’.

Budgetary implications

The financial envelope for the implementation of the Regulation for the period from the date of its entry into force to 30 June 2025 will be **EUR 500 million** in current prices. This budget comes from the redeployment of two instruments, the European Defence Fund and the future EDIRPA.

More precisely, ASAP budget has been allocated: (i) EUR 260 million from the European Defence Fund, from its 2024 budget; (ii) EUR 240 million from EDIRPA. ASAP budget will be engineered in a fashion that it does not undermine the implementation of existing defence programmes.