

## FREQUENTLY ASKED QUESTIONS (FAQ) UPDATE AS OF 30 JUNE 2023

### PROJECT ARRANGEMENT

#### How did this project start?

As pointed out by the Joint Communication on Defence Investment Gaps, long term underinvestment in defence resulted in both capability and industrial gaps within the Union.

To further assess these gaps and start addressing them, the Joint Defence Procurement Task Force (DJPTF) was established, bringing together EEAS, EDA and the Commission, to work with Member States and identify their most urgent needs as well as industry's ability to support those needs.

Following the assessment, EDA has been working since November 2022 on three areas for common procurement: ammunition, soldier systems and chemical, biological, radiological and nuclear (CBRN) equipment.

Stemming from this, the 'Collaborative Procurement of Ammunition' project was then set up in record time by EDA to answer the call to procure ammunition collectively and more quickly.

#### What is the 'Collaborative Procurement of Ammunition' project?

EDA has created a project arrangement for the collaborative procurement of ammunition. The project has two paths; a two-year, fast-track procedure for 155mm artillery rounds and a seven-year project to acquire multiple ammunition types.

The 'Collaborative Procurement of Ammunition' project aims at procuring ammunition by aggregating, coordinating, and agreeing contracts with the European defence industry, thus ensuring economies of scale.

#### Why procure together?

Common procurement is the best option to limit costs and reduce expected delivery times, while allowing Member States to purchase ammunition according to their national needs as well as in support of Ukraine.

This project sends a clear message to industry, that aggregate orders will be placed together through the European Defence Agency. Large orders provide industry with certainty, allowing them to ramp-up production and produce more and faster.



## Will EDA be managing the procurement?

Practically, joint procurement can be done through the European Defence Agency. EDA will be acting as the contracting authority, management body, and ordering entity. Alternatively, Member States will be able to join national procurement schemes at the invitation of 'lead nations'.

After production by industry, Member States will receive the ammunition they ordered and will allocate how much is delivered to Ukraine or used to replenish national stockpiles.

EDA has a legal basis and the technical expertise to carry out joint procurement. EDA has worked with Member States to establish and finalise the project arrangement before it was submitted for signature.

## What are the two parts of the project?

The 'Collaborative Procurement of Ammunition' project has two parts.

**1** – A fast-track procurement procedure, lasting 2 years, just for the procurement of 155mm artillery ammunition. Which may be used to replenish national stocks or to be sent to Ukraine. The fast-track solution entails a negotiated procedure with European industry without tendering, based on extreme urgency (*force majeure*).

**2** – A standard procedure, lasting 7 years, to commonly procure multiple types and calibres of ammunition (from 5.56 mm to 155 mm) to replenish national stocks.

## What is the EU's 3-track approach?

On 20 March 2023, after President Zelenskiy addressed leaders at the European Council in February, Member States reached a historic agreement to work together on an ambitious three-track initiative for the delivery and joint procurement of artillery ammunition and missiles to Ukraine in response to Ukraine's urgent needs and ensure an increased production capacity in the future.

This 3-track approach consists of incentivising immediate deliveries (track 1) to Ukraine of ground-to-ground and artillery ammunition, and missiles, from stocks and from reprioritisation of existing orders, with 1 billion euros allocated for reimbursement under the European Peace Facility; (track 2, either through EDA or through lead nations) collectively procuring new ammunition, and ramping up (track 3) the European defense industrial capacity to produce new ammunition. These three tracks are complementary and mutually reinforcing.



## Is all ammunition to be procured for Ukraine?

No. Member States can use both parts of the procurement project to only replenish national stocks.

In full respect of sovereign national decisions and without prejudice to the specific character of the security and defence policy of any EU Member States, the project may be used to replenish Member States' national stockpiles and/or aid Ukraine.

## How will it be paid for?

Member States pay and can be partially reimbursed via the European Peace Facility (EPF), the EU's off-budget instrument in support of the EU's Common Foreign and Security Policy (CFSP), when the ammunition procured is delivered to Ukraine.

One billion euros has been allocated for reimbursement of 155mm artillery ammunition under track 2. The implementation of the track 2 will be conducted through the Council decision on an assistance measure under the EPF to support the Ukrainian Armed Forces through the provision of ammunition.

# MEMBER STATES

## Which countries have joined?

As of June 2023 – 26 countries have signed the EDA project: Austria, Belgium, Croatia, Italy, Cyprus, Czechia, Denmark, Estonia, Finland, Spain, France, Germany, Greece, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden and Norway have signed.

Not all the Member States that have signed the Project Arrangement will be using the 2-year fast-track scheme put in place to support Ukraine.

Although not an EU Member State, Norway has an Administrative Arrangement with EDA since 7 March 2006, which allows for its participation in the Agency's projects.

## What about Member States that are neutral?

In full respect of sovereign national decisions and without prejudice to the specific character of the security and defence policy of any EU Member States, the project may be used to replenish Member States' national stockpiles and/or aid Ukraine.



## Can Member States only procure ammunition?

The 'Collaborative Procurement of Ammunition' project is indeed only for the procurement of different types of ammunition.

EDA has been working since November 2022 on three areas for common procurement: ammunition, soldier systems and chemical, biological, radiological and nuclear (CBRN) equipment.

Work is still ongoing in relation to soldier systems and CBRN equipment.

## INDUSTRY

### How has EDA engaged with industry?

On 31 March, EDA published a Request for Information (RFI) for 155mm ammunition to conduct a preliminary market consultation. EDA also organised an online information session on 12 April, which involved relevant industrial actors.

### Will industry be able to deliver the orders?

Yes. However, the defence industry is already working at pace to deliver ammunition. By consolidating a larger demand, we hope to send a strong signal to industry and help them to ramp up their capacity and reduce expected delivery times.

In addition, the European Commission adopted on 3 May 2023 the Act in Support of Ammunition Production (ASAP) to materialise its proposal under track 3 of the plan agreed by the Council on 20 March. By introducing targeted measures including financing, the Act aims at ramping up the EU's production capacity and addressing the current shortage of ammunition and missiles as well as their components.

### Which industries and in which countries will the ammunition be produced?

This is yet to be determined. The focus will be on a small number of artillery systems and corresponding rounds for the systems provided by EU Member States that the Ukrainian forces are using.

### What are the next steps?



EDA works with Member States to define the technical aspects of the tender specifications and the contractual conditions of the Framework agreement.

Once these technical aspects are finalised, economic operators will be provided with the tendering documents.

Member States should be able to place orders starting during the summer.

## UKRAINE

### Have you been in contact with Ukraine?

Yes. We have been in contact with the Ukrainian authorities to understand their specific needs.

### What types of ammunition & systems?

The Ukrainian authorities have confirmed a need for 155mm ammunition to use in the systems provided by EU Member States. Procurement will focus on 4 types of artillery systems and 2 types of 155mm ammunition.

### When will Ukraine Armed Forces receive ammunition?

The lead time for delivery cannot be specified at this time. After the orders will be placed, it will then be for industry to produce the ammunition.