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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the implementation of Regulation (EU) 2023/1525 of the European Parliament and of
the Council of 20 July 2023 on supporting ammunition production (ASAP)**

Table of content

- 1. Introduction 3
 - a. Purpose and structure of the document 3
 - b. Methodology 3
- 2. Background 5
 - a. Context 5
 - b. Preparation of the ASAP Regulation 5
 - c. Measures established by the ASAP Regulation 6
 - d. Preliminary activities 8
- 3. Overall implementation logic of the ASAP Regulation 9
- 4. Work Programme and calls preparation 10
 - a. Implementation 10
 - b. Lessons identified 11
- 5. Application process and support to applicants 12
 - a. Implementation 12
 - b. Lessons identified 12
- 6. Evaluations and results 13
 - a. Implementation 13
 - b. Lessons identified 14
- 7. Recommendations 15
- 8. Conclusion 16

1. Introduction

a. Purpose and structure of the document

Article 23(1) of Regulation (EU) 2023/1525 of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP Regulation¹) provides that "[b]y 30 June 2024, the Commission shall draw up a report evaluating the implementation of the measures set out in this Regulation and their results, as well as the opportunity to extend their applicability and provide for their funding, particularly with regard to the evolution of the security context. The evaluation report shall build on consultations of the Member States and key stakeholders and be communicated to the European Parliament and to the Council".

It follows that the objective of the present ASAP Evaluation Report is to assess the performance of the implementation of the ASAP programme, and particularly its effectiveness in fulfilling the objectives set out in the Regulation at each stage of its implementation.

Moreover, this report represents an opportunity to inform the on-going negotiations on the Commission proposal for a European Defence Industry Programme² (EDIP) and notably the ASAP follow-up measures included in the proposal. Indeed, whereas the ASAP and EDIRPA³ Regulations shall only apply until 2025, the EDIP Regulation is expected to be adopted in 2025 notably to allow for the continuation and extension in time and scope of the action performed in the context of ASAP and EDIRPA Regulations.

Structure of the document

After presenting the methodology retained for the drafting of the report (1.b) and recalling some background information (2), this Report provides the overview of the overall implementation logic of the ASAP Regulation (3), assesses the rationale, organisation and timing of the ASAP Work Programme and Calls' preparation (4), of the application process and support to applicants (5), of the evaluation of the proposals received and of its results and the expected impacts of the funded actions (6). For each session, the main lessons learned are presented. Finally, a summary of the overall lessons identified, and long-term perspective closes this Evaluation Report (7) together with conclusions (8).

b. Methodology

The methodology followed complies with the 'Better Regulation' guidelines and toolbox in a manner commensurate with the state of the programme implementation and the preparation time available. The Better Regulation Toolbox (Tool 45, Box 3) allows for the flexibility of not necessarily having to fully apply the guidelines when evaluating performance at an early point in the implementation of an intervention and when information on the longer-term changes (results and impact) is not yet available.

On these grounds and given the tight timeline to prepare the report, no external contractors were involved to support the evaluation exercise, no call for evidence was issued and the number of stakeholders consulted was kept limited.

¹ [Regulation \(EU\) 2023/1525](#) of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP) (OJ L 185, 24/07/2023, p. 7–25)

² [COM\(2024\) 150 final](#): Proposal for a Regulation of the European Parliament and of the Council establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products ('EDIP').

³ [Regulation \(EU\) 2023/2418](#) of the European Parliament and of the Council of 18 October 2023 on establishing an instrument for the reinforcement of the European defence industry through common procurement (EDIRPA) (OJ L, 2023/2418, 26.10.2023).

Consequently, this Evaluation Report is based on:

- the feedback provided by external stakeholders based on questionnaires distributed to the ASAP Programme Committee members and to the applicants to the ASAP calls for proposals.
- a consultation with the European Defence Agency (EDA).
- the feedback from Commission staff involved in the upstream consultations with the industry and supply chains involved in the production of artillery ammunition and in the preparation of the Work Programme, in the evaluation and in the assessment of the opportunity to implement the Ramp-up fund.
- quantitative elements (e.g. timing, statistics on received proposals and projects selected for funding).

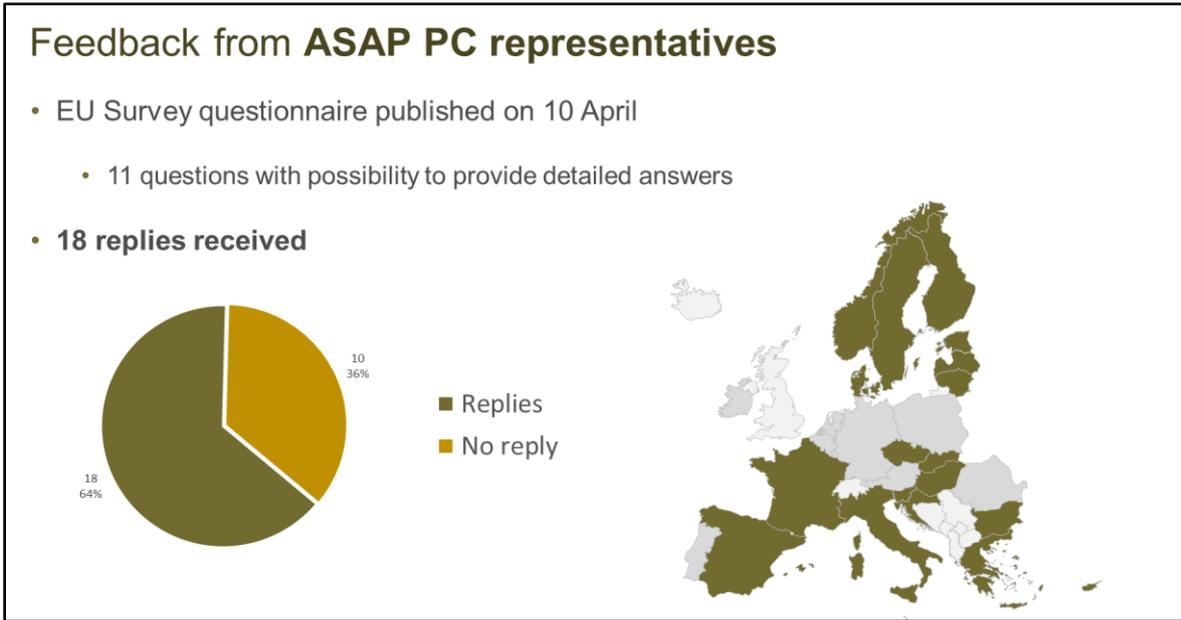


Fig 1: Feedback received from ASAP Programme Committee representatives

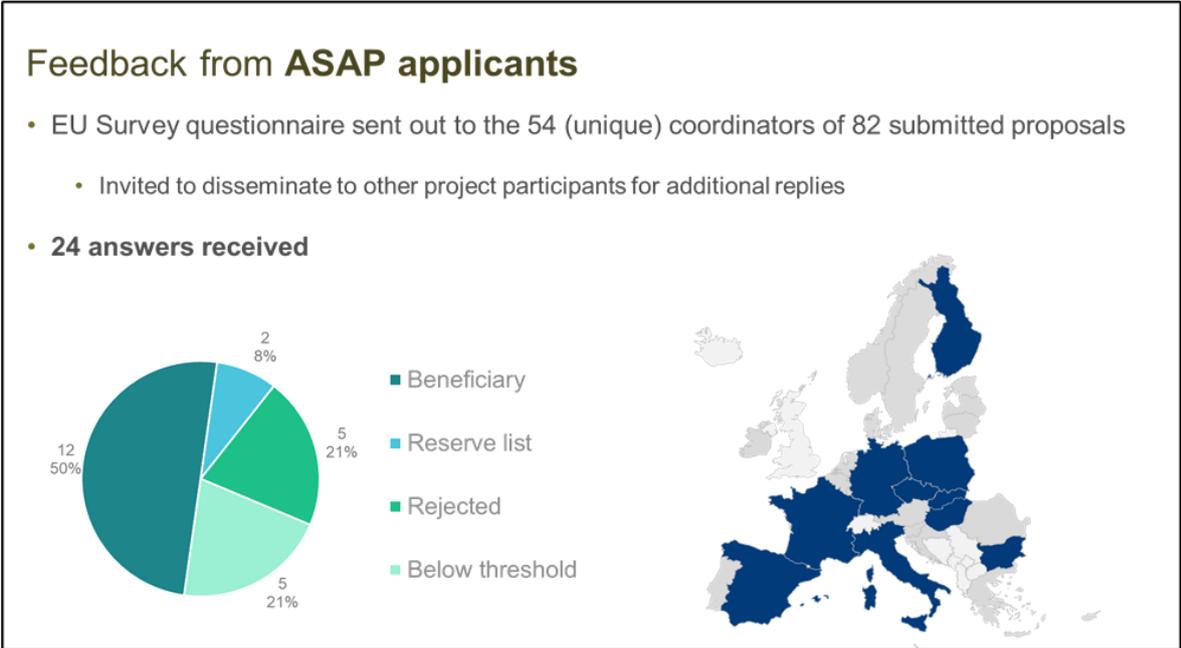


Fig 2: Feedback received from ASAP applicants

2. Background

a. Context

Russia's war of aggression against Ukraine and broader geopolitical instability represents a paradigm shift and some of the European Union's greatest challenges to date in security and defence. These challenges are likely to persist and point to a clear need to spend more, better, together, and European to tackle these challenges in a spirit of solidarity.

Russia's war of aggression against Ukraine has put the European defence industry and defence equipment market to the test and exposed the urgent need of the Member States to secure the timely delivery of defence products and systems in sufficient quantity, such as ammunition and missiles, considering their high consumption rate during a high-intensity conflict. Since 24 February 2022, the Union and its Member States have been steadily stepping up their efforts to help meet Ukraine's pressing defence needs and they committed to 'bolster European defence capabilities', as well as to fill in their national stocks.

b. Preparation of the ASAP Regulation

At the special meeting of the European Council of 9-10 February 2023, President Zelenskyy emphasised the urgent need for further military support, through the provision of ammunition.

Pursuant to the Joint Communication on the Defence Investment Gaps Analysis and Way Forward⁴, on 6 March 2023, the Defence Joint Procurement Task Force (DJPTF) composed of the Commission, the European External Action Service and the European Defence Agency, shared with the EU Member States its findings on the 155mm production capacity in the EU. On 20 March 2023, the Council agreed to respond to the demand for artillery ammunition through a three-track approach⁵. More specifically, the Council agreed to:

1. Urgently deliver ground-to-ground and artillery ammunition to Ukraine and, if requested, missiles.
2. Call on Member States to jointly procure 155mm ammunition and missiles, if requested, to refill their stocks while enabling the continuation of support to Ukraine.
3. Support a massive rump-up of EU manufacturing capacities.

The Council invited 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.”*

In response to the Council request, on 3 May 2023 the Commission proposed to the co-legislators a Regulation on supporting ammunition production (ASAP) providing concrete and targeted measures to support the ramp-up in production capacities, to identify and address bottlenecks and to ensure security of supply for ammunition.

The Regulation was adopted in a record time by the co-legislators on 20 July 2023, published in the Official Journal of the European Union on 24 July 2023 and entered into force immediately.

⁴ https://commission.europa.eu/document/download/4bcf9a69-ed82-4a74-836f-b85bb16725f6_en?filename=join_2022_24_2_en_act_part1_v3.pdf

⁵ <https://data.consilium.europa.eu/doc/document/ST-7632-2023-INIT/en/pdf>

c. Measures established by the ASAP Regulation

The ASAP Regulation establishes a set of measures and lays 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 by means of the following:

- (a) an instrument financially supporting industrial reinforcement for the production of relevant defence products in the Union, including through the supply of their components (the 'Instrument');
- (b) the establishment of mechanisms, principles, and temporary rules to secure the timely and lasting availability of relevant defence products to their acquirers in the Union.

The Instrument is coherent with existing collaborative Union defence-related initiatives such as the European Defence Fund (EDF), the EDIRPA Regulation in support of common procurement, and the European Peace Facility.

Pursuant to Article 110 of the EU Financial Regulation, the ASAP instrument is implemented through a single Work Programme. The Work Programme⁶ shall set out the funding priorities considering the work of the Defence Joint Procurement Task Force.

The financial envelope for the implementation of ASAP for the period 25 July 2023 to 30 June 2025 is EUR 500 million in current prices. The Instrument finances up to 35 % of the eligible costs of an eligible action related to the production capacities of relevant defence products, and up to 40 % to produce components and raw materials intended to produce relevant defence products.

Actions under ASAP shall be eligible for increased funding rates when those fulfil certain conditions. The Bonus requirements of the Instrument differ from those of the European Defence Fund (EDF). In both EU programmes, actions can be eligible for an increased funding rate (of +10% for ASAP and up to +15% for the EDF) where beneficiaries or most beneficiaries are mid-caps or SMEs. However, while bonuses are granted for EDF actions that are developed in the context of PESCO, ASAP allocates a bonus of +10% points when applicants demonstrate the creation of new cross border cooperation or commit to prioritising for the duration of the action, orders stemming from the joint procurement of relevant defence products. 97% of the retained proposals claimed one or more bonuses (all the different eligible bonuses were used) with a strong focus on the SME and mid-cap bonus: two thirds of the beneficiaries claimed to be SMEs or mid-caps.

Eligible actions (Article 8(3) of the ASAP Regulation) shall relate to one or more of the following activities:

- (a) the optimisation, expansion, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities;
- (b) the establishment of cross-border industrial partnerships;
- (c) the building-up and making available of reserved surge manufacturing capacities of relevant defence products;

⁶ Annex to the [Commission Implementing Decision C\(2023\) 7320 final](#) of 18.10.2023 on the financing of the instrument on supporting ammunition production (ASAP) established by Regulation (EU) 2023/1525 of the European Parliament and of the Council and the adoption of the work programme for 2023-2025.

- (d) the testing, including the necessary infrastructure, and as appropriate, reconditioning certification;
- (e) the training, reskilling, or upskilling of personnel;
- (f) the improvement of the access to finance.

The mandatory activities under each call for proposals (see table below) are eligibility conditions.

Call	Mandatory activity	Optional activities
EDF-ASAP-2023-LS-XPL	(a)	(b) to (f)
EDF-ASAP-2023-LS-POW	(a)	(b) to (f)
EDF-ASAP-2023-LS-SHL	(a)	(b) to (f)
EDF-ASAP-2023-LS-MIS	(a)	(b) to (f)
EDF-ASAP-2023-LS-TRC	(d)	(a) to (c) and (e) to (f)

The activities were most focussed on the obligatory activities under each call, mainly activity (a), and activity (d) in the case of testing and recertification. Activity (f) was barely used in any of the retained proposals.

The ASAP Regulation (Article 7(2)) allows *retroactivity* therefore permitting actions that started prior to the date of the submission of the proposal to be covered by ASAP grants as long as they did not start before 20 March 2023, and they were not completed before signature of grant agreement. Ten projects will use the retroactivity clause and start the activities before the signature of the grant agreement. In the cases where they have not yet started, they rely on parallel projects, normally fully nationally funded, to start.

Moreover, there are actions or parts thereof of the ASAP that are *not eligible for funding* if they are already fully financed from other public or private sources. No such proposal was received.

Entities participating in ASAP are (a) beneficiaries, i.e., members of the consortium/signatories of the Grant Agreement, (b) affiliated entities, namely third parties with a link to beneficiaries that can implement part of the action in their own name, (c) other entities such as subcontractors and associated partners. To be eligible, these entities, whether public or privately owned, shall be established and have their executive management structures in the Union or in an associated country and not be subject to control by a non-associated third country or entity. Alternatively, entities can be subject to FDI screening, a new possibility if compared to existing collaborative Union defence-related initiatives such as the EDF.

Each proposal submitted by an applicant shall be assessed based on six award criteria (Article 11 of the ASAP Regulation), namely:

- (a) Ramp-up (increase in production capacity of the Union)
- (b) Speed-up (reduction of lead production time)
- (c) Elimination of sourcing and production bottlenecks
- (d) Strengthen resilience through cross-border cooperation (including SMEs)
- (e) Support to joint procurement (at least 3 Member States)
- (f) Quality of the implementation plan of the action

Through the submission template provided, all proposals were directed to address all the award criteria evaluated for the particular topic.

Finally, the ASAP Regulation contains *specific provisions* on:

- (a) the Security of Information (Article 17) regarding the protection of classified information in relation to the implementation of the ASAP Regulation;
- (b) a Ramp-up Fund (Article 15), in the form of a blending facility offering debt solutions, to leverage, de-risk and speed-up investments needed to increase manufacturing capacities;
- (c) the security of supply (Articles 13 and 14) concerning (1) the acceleration of the permit-granting process for the timely availability and supply of relevant defence products and (2) the facilitation of common procurement during the ammunition supply crisis. It is however too soon to measure the impact of these provisions on the security of supply.

d. Preliminary activities

While Article 12 of the ASAP Regulation states that the Work Programme shall set out the funding priorities considering the work of the Defence Joint Procurement Task Force (DJPTF), this DJPTF worked both on the demand side assessing what are the most needed defence products and in which quantity and on the supply side, mapping the industrial actors relevant for urgent joint procurement needs and their associated production capacities. To address the ASAP objectives, the work of the DJPTF had to be complemented by activities on the supply side to further determine the capacity of the industry production for artillery ammunition in meeting the demand in the short and longer term.

Between 15 March and 9 May 2023, Commissioner Breton visited 28 key manufacturing sites related to artillery ammunition and missiles' production in 13 EU Member States (BG, CZ, DE, ES, EL, FR, HR, IT, PL, RO, SE, SI, SK) and the Commission conducted follow-up technical discussions with 36 industrial players from the EU and Norway. In addition, the Commission collected information on the production capacity, industrial value chain and potential bottlenecks and engaged with main actors on the type of support needed to unlock the industrial ramp-up of 155mm artillery ammunition.

Exchanges with industry confirmed that the EU has substantial own production capacity (twice the size of the U.S. at that time) for 155mm ammunition production within several existing industrial sites. Moreover, the production capacity in the EU and Norway in 2023 was already significant and could achieve 1 million shells in 2024. However, this would have required targeted support and additional resources given the current observed lead time.

The main obstacle to producing propellant powder in sufficient quantities was linked to the limited availability of components (energetic nitrocellulose and nitro-glycerine) and the current production tools capacity (mixing, extruding, packaging, etc.) as well as the limited access to high explosives to fill artillery rounds. In addition, the defence sector's limited access to funding, the limited availability of skilled workers and regulatory aspects, in particular Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) requirements and local legislation on authorisations for the defence industry, were also highlighted.

Considering these findings, the implementation of the ASAP Regulation focuses on key identified bottlenecks that have the potential to achieve most impact on ammunition production across the EU, namely:

- High Explosives production;
- Propelling powders and charges production;
- Shells filling and manufacturing.

3. Overall implementation logic of the ASAP Regulation

The preparation of the overall ASAP programme implementation started in early July 2023, before the ASAP Regulation was formally adopted. This allowed to clarify internally the expected implementation drivers and timeline and to set-up a suitable organisation to support the implementation, from the Work Programme preparation, the publication and management of the calls for proposals, to the evaluation of the proposals, and the preparation and management of the grant agreements.

Clearly the timeline of the ASAP implementation was the main driver, with the objective to have the Work Programme adopted by end of September 2023 and the outcomes of the evaluation announced by February 2024, while also setting up a security framework responding to the sensitivity of the calls. This led the Commission to make the following choices from the outset:

- The Work Programme preparation built on most relevant available information, especially the findings of the Commissioner's tour of Europe of artillery ammunition manufacturers and subsequent technical interactions with the industry⁷ (see section 2.d above). These elements allowed to understand the state-of-play and dynamic of the European industrial production capacity for artillery ammunition, including the supply chains involved, and to identify and quantify the bottlenecks.
- ASAP on-boarded, in record time, on the Commission corporate IT tool supporting funding instruments (eGrants), using the EDF set-up as the reference framework⁸. Even though the submission of the proposals was partially performed outside eGrants (due to the security classification level imposed to some parts of the proposals), such an approach avoided to resort extensively to manual treatment of the information.
- Considering the heavy workload stemming from the implementation of the European Defence Fund, an *ad hoc* Task Force (TF) of Commission and its executive agencies staff members (following the publication of a call for interest in August), was set up for a duration of 6 months in order to support the evaluation process of the proposals. The TF was hosted by the Commission in a secured environment compliant with the handling of RESTREINT UE/EU RESTRICTED information.
- Based on the experience gained from the implementation of the European Defence Fund, ASAP followed an optimised evaluation workflow allowing for late checks on some complex eligibility conditions (i.e., in-depth assessment of control ownership or of some cost items only after announcement of the list of proposals selected for funding).
- All grants under the ASAP programme are implemented in the form of lump sums (i.e. fixed grant amount following in-depth assessment of the estimated costs of the action), thus simplifying the execution and management of the grant agreements.

This preparation work, that built upon the EDF experience, was instrumental in the ability of the Commission to deliver swiftly, at each stage of the implementation of the ASAP programme, despite limited resources.

⁷ These activities addressing the supply were complementary to the activities performed within the Joint Defence Procurement Task Force (JDPTF) that addressed the demand side.

⁸ All call documentation and templates for the implementation of the ASAP programme were adapted from the existing EDF ones. This was possible thanks to many similar provisions or features regarding eligibility conditions or funding rates (baseline funding rate + bonus).

4. Work Programme and calls preparation

a. Implementation

The drafting of the first version of the ASAP Work Programme started in the beginning of August 2023 with, as the main input, the findings of the Commission regarding the bottlenecks in the supply chains involved in the production of heavy artillery ammunition. These findings followed by a series of technical meetings between the Commission and the industry⁹ allowed to identify that the main bottlenecks preventing the ramp-up of 155mm artillery ammunition were *High Explosives* and *Powders* mainly and, to a lower extent, *Shells assembly*.

The first draft Work Programme was shared with the newly established ASAP Programme Committee consisting of representatives by the EU Member States and Norway (which was formally associated to the programme) on 18 August 2023, together with an explanatory note substantiating the findings of the Commission and the proposed structure and budget allocation for the ASAP Work Programme, in line with the identified bottlenecks in the production of artillery ammunitions, while also considering missiles.

In total, five Programme Committee meetings, taking place from 31 August to 16 October 2023¹⁰, were needed to negotiate, finalise, and endorse unanimously the Work Programme.

The implementing act¹¹ was adopted by the Commission on 18 October 2023. On the same day, the calls for proposals were published on the Funding & Tender portal and opened for submission, all call documentation and templates being available. The deadline for submission of proposals was set to 13 December 2023 17.00 CET.

The main discussion points within the ASAP Programme Committee were:

- the structure of the Work Programme, and in particular the number of topics per identified bottleneck and their grouping in calls (1 call per identified bottleneck vs 1 call per targeted type of activities);
- the interpretation of the eligible types of actions and activities (Article 8 of ASAP Regulation), and in particular:
 - o activity type (a), considering Commission's initial proposal to make a distinction between topics addressing the 'establishment of new production capacities' (i.e. new green field infrastructure) and topics addressing the 'extension or upgrade of existing capacities';
 - o activity type (b) on cross-border partnerships and the link with the award criterion (d) on cross-border cooperation (Article 11(d) of ASAP Regulation) or with the increased funding rate on creation of new cross-border cooperation (Article 9(2)(a) of ASAP Regulation);

⁹ Tour of Europe and technical discussions with more than 36 manufacturers throughout the EU and Norway, complemented with a large consultation of the industry and supply chains via requests for information on current and future production capacities as well as surge capacities.

¹⁰ The interservice consultation took place from Thursday 5 October to Tuesday 10 October. The final draft implementing act was submitted to the ASAP Programme Committee on Wednesday 11 October for their scrutiny. The ASAP Programme Committee gave a positive opinion (consensus) on the act on the 16 October 2023.

¹¹ [Commission implementing decision C\(2023\)7320](#) on the financing of the instrument on supporting ammunition production (ASAP) established by Regulation (EU) 2023/1525 of the European Parliament and of the Council and the adoption of the work programme for 2023-2025.

- the interpretation and proposed weighting for the different award criteria in the different calls and topics, which led to several adjustments in the iterative versions of the Work Programme;
- the interpretation and eligibility conditions for Article 9(2) of ASAP Regulation on the increased funding rates;
- the budget allocation for the different topics and proposed maximum EU contribution per project (to finance several projects per topic), as well as the proposed simplified approach for the baseline funding rate (35% vs 40%).

If Article 15 of the ASAP Regulation provided for the possibility of creating a Ramp-up Fund, the Commission was not able to identify a fully suitable option to implement such Fund in line with the ASAP objectives and its urgent timeline. Indeed, it would have implied indirect management by an entrusted implementing partner under InvestEU¹² able to operate in the entire Union, such as the European Investment Fund and European Investment Bank, but their exclusion policies on ammunition unfortunately preclude them as potential candidates. In addition, the Ramp-up Fund appeared unattractive for implementing partners due to the limited budget (very high administrative burden) and narrow scope of the product (limited ecosystem of ammunition producers and suppliers).

b. Lessons identified

If the Programme Committee members largely appreciated their level of involvement in the drafting and approval of the ASAP work programme, several members recognised the highly demanding work that it required. The Programme Committee members also largely welcomed the level of responsiveness and information provided by the Commission during the entire process.

Regarding the effectiveness of the Work Programme design to meet the objectives of the ASAP Regulation, some Member States contested the baseline for the structure of the Work Programme (based on Commission's findings from a mapping exercise to which they consider not to have been associated), thus preventing to address a wider scope of defence products beyond the bottlenecks identified for 155mm artillery ammunition and missiles. On the contrary, several other Member States and the European Defence Agency recognised that the structure proposed for the Work Programme was relevant and effective in meeting the objectives of the ASAP Regulation – even though the results of projects selected for funding are not yet available –, and that it also allowed to accelerate some investment decisions, keeping also in mind the possible retroactivity of ASAP funding. Besides, while the limited budget available under ASAP called for focused investments on well identified bottlenecks to produce a real impact, targeting *Powders* and *Explosives* was considered to have positive spillover effects on other types of ground-to-ground and artillery ammunition.

Overall, the balanced design of the final Work Programme resulted from the best possible way to meet the ambitious objectives set out in the ASAP Regulation while considering the emergency nature and limited budget of the instrument. This allowed in the end for the unanimously endorsement of the Work Programme by the Member States.

¹² [Regulation \(EU\) 2021/523](#) of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

5. Application process and support to applicants

a. Implementation

Following the publication and the opening of the ASAP Calls for proposals on the EU *Funding and Tenders Portal*, the Commission advertised broadly the information via several channels, notably the ASAP Programme Committee, information events organised by national authorities, including Sweden and Bulgaria, defence industry expert groups, industry associations, Commission's website¹³ and social media.

The Commission received 174 questions in total and replied within 3 working days on average as necessary through the Q&A section of the ASAP calls for proposals accessible to all through the *Funding and Tenders Portal* to ensure transparency and equality of treatment.

A few days after the opening of the calls, the Commission services recorded and published online¹⁴ an *Information session* explaining the background and the structure of the ASAP Work Programme as well as the conditions to apply, the funding principles and the submission process. This was advertised via social media as well as on the *Funding and Tenders Portal*. This material was available throughout the entire submission time frame.

The calls were open for submission from 18 October 2023 until 13 December 2023 17.00 CET, leaving a total of eight weeks for the applicants to prepare and submit their proposals.

b. Lessons identified

Applicants and national authorities were to a very large extent satisfied with the information and support provided on the content of the ASAP calls for proposals. The information was broadly acknowledged as clear and concise, and several applicants welcomed the responsiveness of the Commission in replying to the questions asked. However, some applicants regretted that it was not possible to organise online or live consultation with the Commission to clarify some specific points. The elements that proved to be the most challenging for some of the applicants were how to describe the different cost elements and how to deal with security issues, in particular how to secure sensitive and classified information.

The information package made available online, and in particular the recorded info session, was very well received by applicants. One of the highlighted benefits of the recorded session was that it gave applicants the opportunity to revert to specific sections of interest several times and when they had reached that specific step in their submission process. However, some reported that some of the information provided was not detailed enough, especially regarding costs and security issues. A few applicants reported that they were not aware of the availability of the recorded info session but were still able to submit a proposal. Finally, several applicants regretted the absence of any networking and matchmaking event organised by the Commission (which could not be offered in the given timeframe). The Commission participated however, in a few information events organised by national authorities.

One point outlined by several parties was the limited time applicants had to prepare their proposal. Even though most were fully aware that ASAP was an emergency instrument, the limited application time of eight weeks made it challenging to clarify the more complex

¹³ [Act in Support of Ammunition Production \(ASAP\) \(europa.eu\)](https://europa.eu)

¹⁴ Slides and recording were made available on 24 October.

questions, and to prepare and submit their proposals, given that many applicants were not familiar with applications to EU grants¹⁵.

Overall, the participants and national authorities were satisfied with the support given during the submission period. The involvement of national authorities during the preparation of the Work Programme ensured that they also could support their industry in the preparation of their proposals and coordinate the necessary national contribution. The main challenges highlighted were the complexity of the application process, the level of coordination between applicants and national authorities and the very short time to submit a proposal.

6. Evaluations and results

a. Implementation

Timing

The evaluation process started immediately after the call closure on 13 December 2023. The evaluations were finalised by a positive vote of the ASAP Programme Committee on 13 March 2024. The results of the evaluations were published on 15 March 2024 through a Commission press release and through the Commission website¹⁶.

Organisation of the evaluation process

The first step was to open the submission files of the proposals. Each proposal had two parts:

- the first part contained the administrative information as well as the detailed budget table and other annexes that were not classified. This part was submitted through the *Funding and Tenders Portal* using the standard forms provided. This part also generated the metadata needed to follow the proposal throughout the process as well as to register it as submitted into the corporate “eGrants” suite used for most of the EU-funded programmes by the Commission.
- the second part consisted of the technical annex, classified at RESTREINT UE/EU RESTRICTED level. It was submitted either as an encrypted file in the submission package through the portal or separately through registered mail at the latest on the day of the deadline, 13 December 2023.

By the call deadline, 82 proposals were found to have been submitted across all calls. All calls and topics received proposals. In the call Explosives, the sum of the amounts requested by the proposals submitted did not exhaust the full call budget amount, meaning that there was an undersubscription to that call. The remaining budget not used under one call, in this case Explosives, was redistributed across other calls, Powder and Missiles.

In a second step, the requisite admissibility and eligibility checks were performed.

The admissibility check consisted of verifying the completeness of the proposal, and that all necessary and obligatory documents had been submitted on time and according to instructions. No late submissions could be accepted.

¹⁵ It is to be noted that the industry community engaged in ASAP is not completely the same as the community participating in the European Defence Fund.

¹⁶ [The Regulation in Support of Ammunition Production \(ASAP\) aims at reinforcing and ramping up ammunition production across Europe. \(europa.eu\)](https://european-council.europa.eu/media/en/press-summaries/Pages/2024/03/15.aspx)

The eligibility checks included the assessment that the proposal is eligible according to the requirements of the regulation, such as that the proposal was within the scope of the call. The scope of the call was defined in the call text published on the *Funding and Tenders Portal*.

In a third step, the proposals that had passed the admissibility and eligibility checks were evaluated against the six award criteria as specified in the ASAP Regulation (Article 11).

The proposals received a score per award criterion and the total score determined the ranking of the proposal. The ranking list as well as the evaluation summary reports were prepared by an Evaluation Committee.

In accordance with the double comitology process set out in ASAP Regulation, the Programme Committee was consulted both on the draft ASAP Work Programme and on the draft award decision.

The Programme Committee convened on 13 March 2024 to vote on the results of the evaluations. Due to the handling of RESTREINT UE/EU RESTRICTED material, the meeting was also kept at RESTREINT UE/EU RESTRICTED level. The Programme Committee gave a unanimous positive opinion in support of the results. 31 proposals were retained for funding as the result of the call evaluations. Following the positive opinion obtained on 13 March 2024, the applicants were informed and the results were published online on 15 March.

ASAP focuses on powder and explosives, which are bottlenecks for ammunition shell production. The programme will support projects increasing the annual production capacity by more than 10 000 tons of powder, and by more than 4 300 tons of explosives. For this purpose, The Union will invest EUR 248 million in powder manufacturing capacity and EUR 124 million in explosives manufacturing capacity.

There are projects that were not selected for funding (including those in the reserve list) that would request increase of the ASAP envelope with EUR 240 million. These projects, representing a total investment of EUR 660 million, could have added about 40% of powder production, more than 100% of shells and shell body production, and a substantial additional amount of production capacity for different missile systems.

b. Lessons identified

The nature of the regulation and the scope of the calls required the submission of fully detailed proposals from the start. Technical proposals of (up to) 70 pages technical proposals take time to process. The time constraints imposed by the emergency from which the instrument proceeded put a significant strain throughout the process on the limited resources available.

The number of award criteria is relatively high. Although the number ensure adherence to dedicated policy objectives, it may lead applicants to lose focus on the main impact sought for the regulation. An alternative to many award criteria could be a clearer described scope of the call, and by that achieving the same policy objectives. The classified nature of the programme required the physical availability of staff on a quasi-permanent basis. Thanks to all Member States demonstrating this commitment, the final scrutiny was made possible in the timeframe set.

It should also be noted that although some proposals scored above threshold, they could not be funded due the limited size of the available budget. The existence of such proposals, which had to be placed on the reserve list, shows that the programme also achieved its competitive nature.

These proposals received the Seal of Excellence, demonstrating that despite not being funded under ASAP, the project itself would have been funded had additional budget been available.

7. Recommendations

Based on the lessons identified during the implementation process, the following recommendations could be made for the future:

Drafting of the regulation

- Strive for clear links between policy objectives and planned activities in the regulation. Any action in the ASAP Regulation should be utilised to obtain the main objectives, and all potential applicants should be able to quickly understand how to write a proposal against the award criteria and what are the funding options, including bonus awards.
- Simplicity should guide and, to all possible extent, govern the drafting of the regulation, notably in terms of number of award criteria and complexity of the funding mechanisms (several funding rates and several possible bonuses tend to increase the challenge of appropriating the regulation and submitting top quality proposals).
- Double comitology requirements should be carefully reconsidered, taking into account the potential delay on the adoption of both the Work Programme and the award decision, as well as the corresponding administrative burden compared to their added value and alternative means of coordination.

Work Programme and calls preparation

- Preliminary in-depth fact-finding, and thorough knowledge of the industrial production capacity for a given defence product is instrumental to the identification of the most adequate structure the Work Programme to enable the most efficient focus of the investments sought on bottlenecks where the impact will be the highest. However, the active, upfront involvement of Member States and associated countries in the definition of the methodology to be used for knowledge collection and for the prioritisation of the defence products would be needed.
- In emergency situations an expedited elaboration of work programmes is feasible but comes as a challenge to the Member States in terms of the time available for the Programme Committee to scrutinise the iterative versions of the documents.
- Tailoring the selection and weighting of the award criteria to the different call topics is challenging and time consuming. This applies as well for the budget per call and topic, and, if any defined, the maximum EU contribution per project.
- Retroactivity can be useful to serve policy objectives. However, this creates extra need for clarifications¹⁷ and add to the complexity of the implementation, thus potentially resulting in additional time spent on that issue in the Programme Committee.

Application process and support to applicants

- For emergency measures there is a need to strike a balance between the time used to elaborate a work programme and the time available for applicants to prepare their proposals. Consideration should also be given to the level of experience the potential applicants have with EU funding opportunities.

¹⁷ Many discussions took place to clarify how retroactivity would not contradict the impossibility to fund an action that is already partially or entirely funded.

- Identify the most complex elements of the application file, such as financial or security aspects, can help providing the requisite level of guidance on those elements, for example in the form of recorded tutorials.
- Networking and matchmaking possibilities like the one offered by the annual EDF Info days appears to be a frequent request and can offer a combination of information given on work programme, application procedures and the opportunity to establish contact with potential partner for a proposal.
- Communicate via all available channels on any available guidance material to ensure that both work programme and application procedures are known and understood.

Evaluations and Results

- Although budget limitations do not allow to fund all proposals evaluated above threshold, the Seal of Excellence does provide a good option to certify the proposal for any alternative funding.

8. Conclusion

The ASAP implementation has demonstrated that an emergency instrument in the field of industrial defence works, and that competitive calls for specific industrial needs can be put in place with a full publication of calls for proposals and including the regular comitology process as used in other similar programmes.

The targeted industrial community, within the artillery ammunition sector, was able to respond on time with full proposals, and also making use of all the options in the Regulation and Work Programme, such as the bonus system, the different eligible activities and the retroactivity. The 31 projects retained for ASAP funding provide for a good basis to drive towards the policy goals of the Regulation, and more importantly, substantially increase the production capacity of artillery shells and missiles, and their respective supply chains.

In addition, the sensitivity of the subject matter, requiring in part a classification of the documents and processes, can be used in this expedited form of implementation. There are nonetheless some constraints, mainly on timing and the delays given to both decision makers and to applicants. The implementation of ASAP has demonstrated that these constraints can be respected by streamlining the processes and using adequate, robust communication channels for communication and interaction with stakeholder, notably through the Fundings and Tenders Portal. The recommendations contained in its support will enable to improve the implementation of emergency measures in future EU industrial defence programmes to secure industrial defence readiness and respond to a fast-evolving security paradigm in Europe.

The ASAP Regulation is a very good demonstration of the Commission's ability to act urgently and in full compliance of the legal framework.