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# **A STEP FORWARD FOR EU AS A DEFENSE ACTOR: THE JOINTLY PROCUREMENT OF AMMUNITION FOR UKRAINE**



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## Abstract

Since the beginning of the Russia-Ukraine war, the European Union member states took several steps against the Russian government, especially in terms of individual and economic sanctions to publicly condemn the illegal and unjustified aggression of February 2022. Furthermore, the EU community expressed solidarity with Ukraine through a number of humanitarian missions and economic assistance operations, designed to help the country's economic recovery and help civilians at risk. In terms of military support, the EU has usually devoted few resources to the defense sector, in contrast to the extended defense budget of the United States. However, this war has been recognized as a wake-up call for the EU which - for the first time - devoted funds for the supply of lethal weapons to a third country. Specifically, the European Peace Facility (EPF) has become the most important budget-tool for the EU to implement a number of active military operations and assistance missions. The latest project put forward by the EU—and partially connected to the EPF—has been a three-track proposal meant to collectively provide Ukraine with additional artillery ammunition. Despite the criticism and doubts that have been raised on the subject, this newly drafted proposal represents a landmark juncture for the EU in terms of military and defense efforts.

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## The EU's Response to Russia's Invasion of Ukraine

In response to Russia's invasion of Ukraine on 24 February 2022, EU member states immediately condemned Russia's actions by considering it as a clear violation of international law and human rights. Moreover, EU leaders and governments also condemned the illegal annexation of Ukraine's Donetsk, Luhansk, Zaporizhzhia and Kherson regions, also invaded by Russian troops, together with Belarus' involvement in Russia's military aggression. The escalation of the military actions conducted by Russia was defined by the international community as an illegal, unprovoked and unjustified aggression towards another country (European Council, 2022). In fact, Russia's actions are generally perceived as a threat to the worldwide peace and security order that had been patiently built in recent decades. Russia's aggression brought severe problems not only in terms of deaths and destruction across the Ukraine territory but also disrupted global energy prices and supply chains, food markets, and people's and goods' mobility (European Council, 2023).

The European Council and the Council of the European Union jointly declared the whole EU support for Ukraine, underlining their strong commitment to providing the necessary humanitarian, political, financial and military aid to the country under attack. As a very first step, the EU repeatedly demanded Russia to immediately cease fire and withdraw all Russian military forces and equipment from Ukrainian territory, and to respect the sovereignty and territorial integrity of the country (European Council, 2023). In addition, Ukraine's full right, under international law, to defend its own territory and people was emphasized, together with the support of all those states willing to provide help. Afterwards, once acknowledged the unwillingness of Russia to cease the attack, a series of practical measures have been taken by the EU institutions against Russia, also with the support and coordinated actions with multiple partners such as the United Nations (UN), Organization for Security and Co-operation in Europe (OSCE), North Atlantic Treaty Organization (NATO) and Group of Seven (G-7) (European Council, 2023).

The main measures adopted by the EU against Russia consisted of a number of individual and economic sanctions purposefully designed to weaken Russia's economic structure, particularly in the realm of critical technologies and transnational markets. From 23 February 2022 until now, ten packages of sanctions have been issued against Russia (European Council, 2023). The sanctions are directed against individuals and entities, and consist of freezing assets against of banks, financial institutions, and companies in the military-defense, raw materials, transport, and energy sectors, among others. Political parties, armed forces, and media organizations responsible for propaganda and misinformation were also targeted. Asset freezes and travel bans were also issued directly against Russian State Duma members, National Security Council members, military staff, business people and oligarchs. Overall, the economic sanctions undermined a series of worldwide exports and imports' routes that used to benefit Russia's economy (Council of the European Union, 2023).

Even though the restrictive measures do not directly target Russian society, economic indicators show that the restrictive measures resulting from sanctions taken by the EU and other countries have had an impact on the Russian economy as a whole. According to the World Bank, the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD), in 2022 Russia's gross domestic product (GDP) dropped by at least 2.2%, in the best-case scenario, and

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by up to 3.9% in the worst-case scenario. According to further forecasts, Russia's economy may continue to shrink even more in 2023 (Council of the European Union, 2023). The EU also took unprecedented measures in several realms to support Ukraine and show solidarity with its citizens. In terms of economic assistance, €30 billion of the EU budget have been devoted to support Ukraine's economic recovery and help civilians affected by the war, and through the establishment of solidarity lanes, humanitarian aid donations, and civil protection assistance. Moreover, to assist all the Ukrainian refugees that left the country, the EU devoted €17 billion to support member states hosting refugees in the welcoming process (Council of the European Union, 2023).

A further sign of support by the EU has been its official declaration making Ukraine a candidate country to join the EU. However, one of the most important steps occurred in terms of military support. Member states devoted €8.4 billion to military support aimed at strengthening Ukraine's ability to fight and respond to Russia's aggression, together with €3.6 billion provided by the EU under the European Peace Facility (EPF). The EPF was created in 2021 as an instrument to improve the EU's ability to prevent conflicts, build peace, and strengthen international security through the implementation of missions and assistance measures aimed at supplying states with military equipment or infrastructures (European Council, 2023). Currently, the EU Military Assistance Mission Ukraine (EUMAM) is one such active EPF-funded active military operations. The EPF's initial budget (€5 billion) was increased by €2 billion in 2022 and in 2023 it reached a total of €7.979 billion, with the possibility of a further increase at a later stage (Council of the European Union, 2022).

### **The Agreement for Collective Procurement of Ammunition**

From the beginning of the Russia-Ukraine war, the United States (US) proved to be the major player in terms of providing military capabilities and assistance to Ukraine. In fact, from February 2022 the Biden administration committed \$32.5 billion in military assistance through the delivery of additional missiles, anti-armor systems, helicopters, ammunition, and non-lethal equipment to Ukraine (Mills, 2023). Historically, the US, together with NATO, was identified as the main actor within the military field, while the EU dealt with civilian support and invest less in the defense sector. However, the EU's taboo of providing lethal weapons to a third country in conflict evaporated with the first lethal arms support package, worth €450 million, and a following €50 million package for non-lethal supplies such as fuel and protective equipment (EU External Action Service, 2022). Since the outbreak of the war, six further tranches of funds supplied by the EPF have been announced in order to provide military assistance to Ukraine. The seventh package, approved in February 2023, consisted in new assistance measures to support the Armed Forces of Ukraine trained under EUMAM Ukraine. This last measure brought the total EU contribution under the EPF for Ukraine to €3.6 billion (Council of the European Union, 2023).

A further decisive step took place on March 20, 2023, in a joint session of the Council of the European Union, between foreign affairs and defense ministers, when a three-track proposal to provide Ukraine with additional artillery ammunition was approved. The first pillar of this three-pronged approach consists of €1 billion provided by the EPF to reimburse member states who will immediately supply the Ukrainian Army, with ammunition and missiles sourced from their national inventories or diverted from pending orders (Mills, 2023). The purpose is to speed up the delivery and joint procurement of

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ammunition for Ukraine, in order to reach one million rounds of artillery within the next twelve months. This first part of the Council agreement has been officially implemented on 13 April 2023, bringing the total EU contribution for Ukraine under the EPF to €4.6 billion (Council of the European Union, 2023).

The second pillar of the three complementary tracks is based on a further €1 billion, set aside to reimburse member states for the joint procurement of 15mm ammunition from the European defense industry and Norway in the fastest way possible before 30 September 2023. The joint procurement projects will be managed by the European Defense Agency (EDA) or through a lead nation framework (Council of the European Union, 2023). In order to answer quickly and collectively to this call for ammunition production, the EDA has already set up a project called “Collaborative Procurement of Ammunition” which provides a solid and flexible framework for signatory member states’ intention to purchase ammunition according to their national needs and possibilities. The EDA’s project provides a two-year, fast-track procedure and a seven-year framework for member states to procure multiple calibers of ammunition to replenish national stocks (European Defense Agency, 2023).

The third pillar was set with the purpose of increasing the EU defense industrial capacity, demanding the Commission for new projects addressing defense industry, supply chains, procurement procedures, investments, and mobilization of the EU budget. In order to ensure the efficient implementation of this proposal, the Council also called for regular meetings of the National Armament Directors with the Defense Joint Procurement Task Force (Commission, EEAS, EDA), in order to define industrial capabilities and coordinated actions (Council of the European Union, 2023). For the purpose of this three-track proposal, the Council agreed on a further increase of the financing ceiling of the EPF by €3.500 million. Moreover, the High Representative of Foreign Affairs Council Josep Borrell has made clear that this joint procurement proposal does not preclude EU member states from also pursuing a national approach on their own (or in groups) to support Ukraine, given the extent of military and humanitarian assistance that the country needs in this specific historical moment (Mills, 2023).

## **A Landmark Juncture for the EU Defense Capacity**

This new and ambitious plan put forward by the EU to procure urgently needed ammunition artillery for Ukraine is a crucial test of the credibility of common EU defense efforts. Josep Borrell defined it as a historical decision that represents a landmark juncture for the EU, since it is the first EU collective peace project based on the joint acquisition of arms for a country in war. On the whole, this project can be analyzed from different perspectives. On one hand, this plan based upon three complementary tracks can be considered a brave and bold move that demonstrates the overall EU commitment towards Ukraine and its citizens, in defense and military terms. On the other hand, several shortcomings and doubts have been raised by experts and chiefs’ executives.

Moreover, this ammunition agreement represents a victory for Estonia, which holds the leadership on this initiative. In fact, the Estonian Prime Minister Kaja Kallas has been the first one to propose the idea of a joint agreement to buy ammunition for Ukraine. In February, Kallas recommended that the

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EU should have pooled resources to accelerate ammunition production and deliveries, in a mechanism similar to the one used during the COVID-19 pandemic to jointly acquire vaccines (Barigazzi, 2023). The main reason behind this proposal was the huge Russian military -industrial production, incomparable with the European defense industry which was not able to boost its production. European leaders and diplomats agreed on the fact that a joint approach would have been more efficient than member states individually providing ammunition, in order to deal with the main problem concerning the EU market's ammunition shortage (Brzozowski, 2023).

Clearly, the fact that Estonia's initial proposal has been followed by a consensus of several European leaders, demonstrates that the need for an integrated defense policy, together with a boosted industrial military capacity, is a shared priority across the continent (Grieco et al, 2023). Thus, this initiative is a decisive answer to the long-lasting American criticisms regarding poor EU defense spending vis-à-vis the huge investments provided by American defense companies. The EU's attempts to move beyond its dependency on the American military industry symbolize an effort by Europe to embrace and adapt to a new strategic environment, with the ultimate purpose of avoiding future conflicts and enhancing European security (Grieco et al, 2023).

Despite the agreement having been almost assessed, several practical measures and dynamics concerning its implementation are still lacking. In particular, the European military supply chain is extremely complex and hard to harmonize, and this might create huge problems in terms of delivery and production capacity (Taylor, 2023). Moreover, some countries have been cautious about the key role of the EDA, which sounds like Brussels becoming the main European arms negotiation center, leaving no space for national governments' ideas (Barigazzi, 2023). There have also been disputes regarding the joint national orders of ammunition that should be reimbursed by the EPF, specifically about who will manage the joint ordering processes between the EU or a single leading nation. A further challenge concerns the administration of industrial production, since governments are required to increase spending in order to improve their production capacity, and ensure companies a multi-year commitment to greatly increased purchases to justify the expansion of production capacity (Taylor, 2023). Thus, the EU must be capable of facing all these challenges in order to gain credibility as a global defense actor.

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## Conclusion

Historically, the EU was not recognized as an effective defense actor, because of the lack of investments in the military industry and the poor budget devoted to military missions. However, the Russian aggression on Ukraine acted as a striking game-changer, driving the EU member states towards an active cooperation in the military realm. The recently-approved proposal, issuing the joint procurement of ammunition for Ukraine based on three complementary tracks, is the clearest sign of EU military commitment within the global scene. However, even though further increase in the financing ceiling of the EPF has been already implemented, still several administrative shortcomings need to be properly addressed in order to finalize the whole project. The European military industry needs to be properly strengthened in order to meet the targets designed by the three-track proposal. Moreover, the role of member states and of the multiple European agencies still needs to be assessed and well defined. From a forward-looking perspective, if the EU member states will be able to efficiently implement all the three pillars of the proposal, the EU's role as a military and defense actor could be globally reassessed under a more successful perspective.



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