

# European Peace Facility: State of play as of 31 March 2023

## SUMMARY

The European Peace Facility (EPF), a financial instrument outside the EU budget that has been operational since July 2021, finances activities with military implications. It funds equipment and training for EU partner countries' armies, as well as the common costs of EU military missions and operations abroad. It also funds the military component of EU civilian missions or exercises abroad, or of EU support to missions led by other international organisations. One year after the Russian invasion of Ukraine, its initial ceiling has been increased to allow the EU to continue its military support to Ukraine at a critical stage of the conflict, while simultaneously maintaining and even increasing its military engagement in other regions of its neighbourhood, in the Western Balkans and in Africa.

Since the start of Russia's war of aggression on 28 February 2022, the EU has mobilised seven successive tranches, of €500 million each, from the EPF. In February 2023, EU military assistance to the Ukrainian Armed Forces reached a total of €3.6 billion. This assistance, for the first time in EU history, has a strong lethal component (weapons and equipment, including, most recently, tanks) alongside a smaller, although significant, non-lethal component (including protective equipment, other non-lethal supplies, and training). The delivery of military assistance is carried out by the EU Member States; through the EPF, the EU can reimburse Member States for a part of their military deliveries.

The EPF-funded military assistance to Ukraine has absorbed, in the first 12 months of the war, 60 % of the initially planned financial ceiling of the EPF of €5 billion for 2021-2027. Therefore, the Council decided on 13 March to increase that ceiling by €2 billion (in 2018 prices) for 2023, and possibly by an additional €3.5 billion (in 2018 prices) up to 2027, an increase that would more than double the total initial ceiling. On 20 March, in response to Ukraine's urgent needs and requests, the Council decided to earmark €1 billion from the EPF to partially reimburse Member States for deliveries of ammunition (and missiles if requested) to Ukraine from their stocks, and another €1 billion for the joint procurement of ammunition (and missiles if requested) from the EU and Norwegian defence industries.

The European Parliament consistently and firmly supports the use of the EPF in Ukraine and beyond, and the increase of its ceiling.



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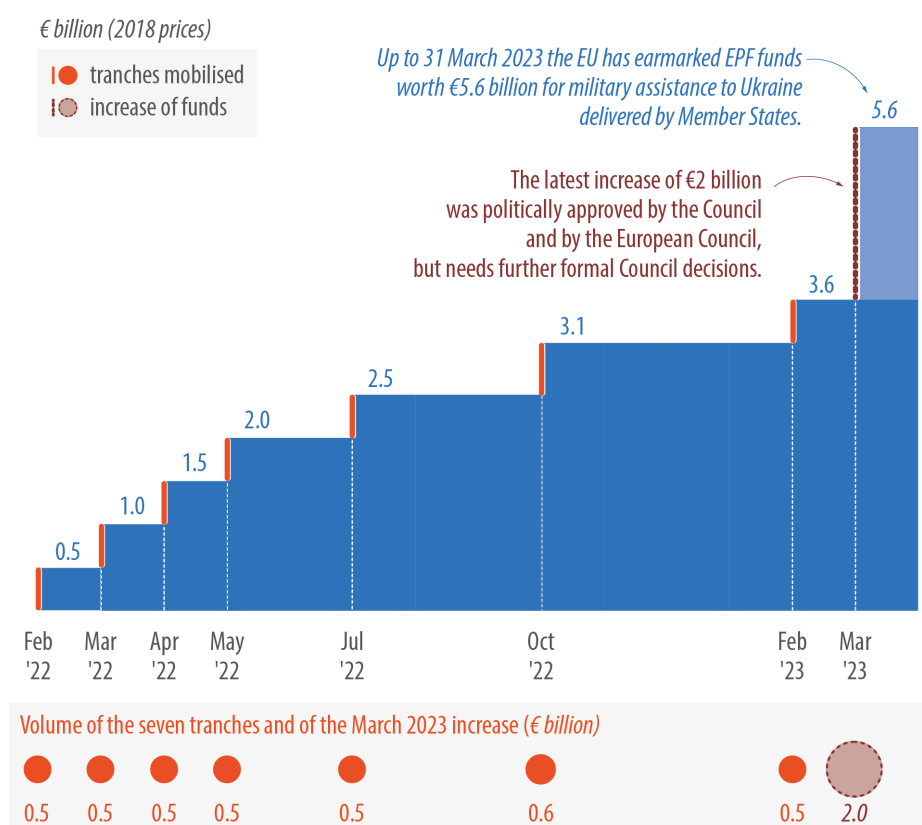
## Introduction

The [European Peace Facility](#) (EPF), an off-budget [instrument](#) made up of yearly contributions from Member States in proportion to their gross national income, initially had a financial ceiling of €5.7 billion (in 2021 prices, or €5 billion in 2018 prices) for 2021-2027. The EPF was set up by Council Decision (CFSP) [2021/509](#) of 22 March 2021 and entered into force on the same day.

## Successive EPF-funded tranches of military assistance to Ukraine (€3.6 billion so far)

Reacting quickly and unanimously to Russia's war on Ukraine, which began on 24 February 2022, the Council has since adopted 14 decisions, providing for seven tranches, each consisting of two assistance measures (mainly [lethal equipment](#) but also non-lethal support) for the Ukrainian armed forces (UAF) under the EPF. Each tranche has amounted to €500 million. The Council's two most recent decisions were adopted on 2 February 2023 – decisions [2023/230](#) (lethal component, €300 million) and [2023/229](#) (non-lethal component, €200 million).

Figure 1: EPF-funded military assistance to Ukraine, March 2022 to March 2023



Sources: EEAS, [Council](#) of the EU, EPRS.

Also on 2 February, the Council adopted – through Decision [2023/231](#) – an assistance measure of €45 million for the EU military assistance mission in support of Ukraine ([EUMAM Ukraine](#)). The assistance measure finances the provision by Member States of: (a) equipment and supplies not designed to deliver lethal force, as required to meet the operational requirements of EUMAM Ukraine and as requested by Ukraine; (b) services, including transportation, custody, maintenance and repair of non-lethal equipment and supplies. More precisely, the assistance measure reimburses the personal training kits of the UAF and any other non-lethal equipment and supplies provided by Member States to support the training that EUMAM delivers to the UAF.

On 6 December 2022, [Norway](#) agreed with the EU to make a voluntary financial contribution of approximately €14.5 million to the EPF in support of EUMAM. This was the first such contribution from a third country, thereby confirming Norway's close cooperation with the EU on security and defence matters, and its firm commitment – also displayed through NATO – to the defence of Ukrainian sovereignty. [High Representative/Vice-President \(HR/VP\) Josep Borrell](#) has said that, by the end of March, EUMAM Ukraine will have trained more than 11 000 Ukrainian soldiers, with the goal being to train 30 000 soldiers by the end of the year.

Altogether, the seven tranches of EPF-funded military equipment for Ukraine delivered by Member States are worth €3.5 billion to date, split between lethal equipment and platforms (€3.12 billion) and non-lethal support (€0.38 billion). In addition, three Member States which abstained from the provision of lethal equipment in October 2022 (sixth tranche) made [extra contributions](#) of €100 million to the non-lethal component, signalling a significant increase in the non-lethal support and raising the total to €3.6 billion.

## Increase of the EPF ceiling

In the year since the Russian war of aggression began, more than 60 % of the planned financial ceiling of €5 billion (in 2018 prices) of the EPF's original seven-year budget has been used for military assistance to Ukraine. However, by October 2022, following the adoption of the [sixth tranche](#), it became clear that an increase in the initial EPF ceiling would be urgently needed. Considering that 86 % of the overall financial ceiling for 2021-2027 had already been committed in 2022, both for the UAF and for other partners elsewhere in the world, on 12 December 2022 the Council reached a [political agreement](#) on the financial sustainability of the EPF, which the [European Council](#) welcomed on 15 December. Ministers agreed to increase the overall financial ceiling by €2 billion (in 2018 prices) in 2023, with the possibility of a further increase at a later stage. The total increase of the EPF's overall financial ceiling until 2027 is up to €5.5 billion (in 2018 prices), more than a doubling of the initial ceiling.

The political agreement on the increase of the EPF ceiling, approved by [Coreper](#) (Ambassadors of Member States) on 8 March 2023, was reflected in Council Decision (CFSP) [2023/577](#) of 13 March 2023 amending Decision 2021/509 establishing the EPF. In addition to the ceiling increase, Decision 2023/577 expands the use of early financing through a minimum deposit system – until then reserved for rapid response operations and urgent measures – to individual assistance measures. It also sets out the common costs of the EU Crisis Management Military Exercise 2023 (MILEX 2023), eligible for a reimbursement from the EPF, to a maximum of €5 million. MILEX 2023 is a live exercise, the first within the framework of the EU Rapid Deployment Capacity ([RDC](#)), which will take place in the south of Spain (Gulf of Cadiz), with both a terrestrial component and an amphibious component, between the end of October and the start of November 2023. According to the [EEAS](#), the current value of the EPF, in March 2023, is €7.9 billion.

On 2 March, the HR/VP submitted to the [Political and Security Committee](#) (PSC) a [proposal](#) to create a specific urgency instrument within the EPF for speedy deliveries of ammunition to the UAF. The informal Defence Council of 8 March debated the proposal, and the Coreper meeting of 19 March reached an agreement approved by the 'jumbo' format of the Council (defence and foreign affairs ministers) of 20 March in the form of a [note](#). The Council agreement, aiming at one million rounds of artillery ammunition for Ukraine, is three-fold:

- a) mobilisation of €1 billion from the EPF to partially reimburse (between 50 % and 60 %) Member States for the delivery, before 31 May 2023, of ground-to-ground and artillery ammunition (either NATO standard, such as 155-millimetre (mm) rounds, or ex-Soviet-standard, such as 122-mm rounds) and, if requested, missiles, from existing stocks or from reprioritisation of existing orders. This first track entails the quick adoption of a decision amending Council Decision (CFSP) [2022/338](#) of 28 February 2022, the [first](#) decision in EU history to mobilise funds for lethal deliveries;

- b) mobilisation of another €1 billion from the EPF (also with reimbursement rates between 50 % and 60 %) for the joint procurement, before 30 September 2023, from the European defence industry (and Norway) of fresh 155-mm [ammunition](#) and, if requested, missiles, in the context of either an existing European Defence Agency (EDA) project or joint acquisition projects led by a Member State. This second track requires the speedy adoption by the Council of a future EPF-funded assistance measure, of another €1 billion; by 20 March, 17 Member States and Norway had already signed the [EDA project](#) for the collaborative procurement of ammunition. This opened the way for these countries to proceed along two paths: a two-year, fast-track procedure for 155-mm artillery rounds and a seven-year project to acquire multiple ammunition types. As of 24 March, five other Member States had signed the EDA procurement project, bringing the total to 22 Member States (Austria, Belgium, Croatia, Cyprus, Czechia, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain and Sweden) and Norway; more Member States have expressed their intent to join the project, including Denmark. On 23 March, the Danish Parliament adopted the legal act allowing the country to ask to join the EDA and Permanent Structured Cooperation ([PESCO](#)); on the same day, the interim Defence Minister announced in the Danish Parliament that Denmark would participate in the EDA joint procurement project for ammunition, which may be used to replenish Member States' national stockpiles and/or aid Ukraine;
- c) finding ways to urgently increase the European defence industry's manufacturing capacities, secure supply chains, facilitate efficient procurement procedures, address shortfalls in production capacities and promote investment, possibly mobilising the EU budget. According to the Commission's DG for the Internal Market, which is in charge of developing the relevant proposals, all this could reduce the delivery time from 12-18 months to [4-6 months](#). In her opening remarks at the joint press conference following the European Council meeting of 23 March, the European Commission President [announced](#) that the Commission would present a legislative proposal that allows for the ramping-up of industrial production of ammunition, and includes 'support from the EU budget', in order to build, expand and repurpose manufacturing facilities, and to strengthen the entire ammunition supply chain so that it can deliver quickly. The legislative proposal might be presented in [April](#) 2023.

With the first two tracks mobilising a total of €2 billion from the EPF, the EPF's agreed new ceiling for payments for 2023 is already close to being reached. However, the deadlines set for these first two tracks – 31 May for the delivery of the ammunition for the UAF (and missiles if requested) and 30 September for the common purchase of fresh ammunition (and missiles if requested) – mean that the EPF funds not spent on reimbursing the participating Member States, because the common delivery and purchase would not meet the respective deadlines, will remain in the EPF envelope. This might postpone a possible further increase of the EPF ceiling either before the expiry of the deadline for the joint purchase scheme (30 September) or before the last day (31 December) of the period for which the Council agreed the EPF's new ceiling of €2 billion for payments in 2023 (Council Decision (CFSP) [2023/577](#) of 13 March 2023).

On 23 March, the [European Council](#) welcomed the three-track Council agreement aimed at providing one million rounds of artillery ammunition in a joint effort within the next 12 months.

## New EPF mobilisations since November 2022

Since November 2022, the Council has adopted the following EPF-funded assistance measures or other support for Ukraine; for other regions of the Eastern Neighbourhood (Georgia and Moldova); for the Western Balkans (Bosnia and Herzegovina); for the Southern Neighbourhood (Lebanon and Jordan); and for Africa (Mauritania, Niger, Somalia and Mozambique):

- on [15 November 2022](#), the day EUMAM Ukraine was launched, the Council adopted an assistance measure (€16 million) to support capacity-building of the UAF through training by EUMAM Ukraine; this raised the EPF-funded military efforts for Ukraine to over €3 billion. With the seventh tranche of €500 million adopted in February 2023 and other bilateral deliveries from Member States, total military support from the EU and its Member States to Ukraine was approximately [€12 billion](#) as of 9 February;
- on [1 December 2022](#), the Council adopted five new assistance measures to support five countries: [Bosnia and Herzegovina](#) (€10 million to upgrade the equipment of the tactical support brigade of the Bosnian armed forces, to help them contribute to military CSDP missions and operations); [Georgia](#) (€20 million to strengthen the capacities of the Georgian defence forces' medical, logistics, engineering and cyber-defence services); [Lebanon](#) (€6 million to enhance the capabilities and the resilience of the Lebanese armed forces to ensure national security and stability through the enhancement of their military medical capacities, and the provision of equipment); [Mauritania](#) (€12 million to enhance the capabilities of Mauritania's armed forces to better respond to the security threats in the country and the region); and the [Rwandan deployment to Mozambique](#) (€20 million to support the continued deployment of Rwanda's defence force to fight terrorism in Cabo Delgado province);
- on [20 February 2023](#), the Council adopted an assistance measure for [Jordan](#) (€7 million to enhance military medical services, engineer brigades and units of the Jordanian armed forces active at the borders);
- on [2 March 2023](#), the Council approved, via the PSC, additional support to the Somali national army (€25 million to provide non-lethal equipment and infrastructure works) and for the military component of the African Union Transition Mission in Somalia (€85 million for the allowances of the African Union soldiers);
- on [7 March 2023](#), the Council adopted an assistance measure for [Niger](#) (€40 million to strengthen the military capacities of the Nigerien armed forces to defend territorial integrity and sovereignty and protect the civilian population against the mounting terrorist threat), in conjunction with the EU military partnership mission in Niger ([EUMPM Niger](#)), established on 12 December 2022. In addition, the Member States are [considering](#) a further assistance measure worth €5 million over two years to fund the delivery of lethal weapons, mainly ammunition for helicopters, to the Nigerien army; if adopted, this assistance measure would be the first one of a lethal nature for an operational theatre other than Ukraine. The EU implementing actor would be – as for the main, non-lethal assistance measure of 7 March – the Italian Defence Ministry, which delivered two [helicopters](#) in October 2022 (and will deliver two more in the course of 2023) to the Nigerien air force, and which coordinates closely with the Nigerien armed forces on the activities funded by the two assistance measures for which it is the EU implementing actor;
- on 16 March 2023, the Council adopted an assistance measure for [North Macedonia](#) (€9 million to strengthen the capacity of the army, notably by enhancing and upgrading the equipment of its light infantry battalion group, while also, through the provision of appropriate non-lethal equipment (logistics, medical equipment, communication and information systems, intelligence capacities, chemical, biological, radiological and nuclear (CBRN), engineering and training equipment), helping to increase the army's capacity to maintain and enhance operating standards to participate in EU military CSDP missions). Although the amount of the assistance may seem small compared to the amounts in military assistance for most other countries or regions, notably Ukraine, it is the first time that the army of North Macedonia has been the beneficiary of an EPF-funded assistance measure – apart from the assistance measure of [9 June 2022](#) for the (multinational) Balkan Medical Task Force. The assistance measure of 16 March has a three-year duration and will be implemented by a Slovenian NGO ([ITE](#) – Enhancing Human Security).



## European Parliament

The European Parliament, in its [resolution](#) of 18 January 2023 on the implementation of the common foreign and security policy:

- welcomed the swift and repeated use of the EPF to provide the necessary support to enable Ukraine to defend and regain effective control over its entire territory within its internationally recognised borders;
- highlighted the need to improve the Union's ability to act with sustainable and appropriate funding by building on the EPF support already delivered to Ukraine, including through the Clearing House Cell of the EU Military Staff;
- welcomed the Council Decision of 12 December 2022 to increase the budget of the EPF by €2 billion, while allowing for the possibility of a further increase of the EPF's overall financial ceiling by a maximum total of €5.5 billion by 2027, given the need to continue supporting deliveries of arms and ammunition to Ukraine and other partner countries, including on the African continent;
- urged the High Representative to swiftly present a proposal to amend Council Decision (CFSP) 2021/509 (this was done through the Council Decision of 13 March 2023);
- stressed the need to establish a second off-budget facility which would manage the development and generation of the entire life-cycle of capabilities, which includes common military research and development, procurement, training, maintenance and security of supply;
- called on the Commission and the Member States to enable and strengthen parliamentary oversight of EU external action, including by continuing regular consultations with the High Representative and the Commission, and by involving Parliament in the proper further implementation and scrutiny of the EPF and the Strategic Compass.

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