

Deadline for ASAP grant applications approaching

20 November 2023

In Summer 2023, the [Act in Support of Ammunition Production](#) (ASAP) was adopted. ASAP marks the final stage of a three-track plan for the delivery and joint procurement of ammunition for Ukraine. While the first two tracks concerned the intended supply of 1 million rounds of stock ammunition to the Ukraine (track 1) and the promotion of joint procurement by EU member states (track 2), ASAP aims to strengthen the supply-side by increasing the European defense industry's production capacities of ammunition and missiles (track 3). In contrast to the first two tracks, which responded to an immediate need for military supply following the Russian invasion of Ukraine, ASAP focuses on longer-term objectives. In particular, ASAP pursues four key objectives:

- Supporting the EU defense industry in expanding its production capacities to meet increased demand for ammunition and missiles,
- Facilitating access to finance for EU defense companies and mobilize private funding,
- Ensuring supply and availability of critical raw materials and components, and
- Eliminating bottlenecks in production to enable faster delivery times.

To achieve these objectives, the EU legislator mainly introduced two measures in the ASAP Regulation: a mapping and monitoring mechanism to identify bottlenecks in the European defense industry and financial support primarily in the form of lump-sum grants (ASAP grants) to EU manufacturing companies. The EU is earmarking EUR 500 million from its budget for ASAP grants, EUR 260 million of which comes from the [European defense fund](#) (EDF) and EUR 240 million from the [European defense industry reinforcement through common procurement act](#) (EDIRPA). In addition, the EU aims to mobilize another EUR 500 million from public and private investment (Ramp-up Fund).

What type of activities are eligible for financial support?

The EUR 500 million in ASAP grants are divided into five critical areas: the production of explosives (EUR 190 million), powder (EUR 144 million), shells (EUR 90 million), and missiles (EUR 40 million), as well as activities related to testing and reconditioning certification (EUR 4,35 million). Within these areas ASAP grants are awarded to fund six types of activities:

- a) Optimisation, expansion, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities,
- b) Establishment of cross-borders industrial partnerships, including through public private partnerships or other forms of industrial cooperation,
- c) Building-up and making available of reserved surge manufacturing capacities, raw materials and components,
- d) Testing (incl. necessary infrastructures), reconditioning certification, to address obsolescence and make products useable by end users,
- e) Training, reskilling or upskilling of personnel in relation to the activities (a) to (d),
- f) Offset of any additional costs arising specifically from the defence industry sector, for investments related to activities (a) to (e).

As the list indicates, ASAP grants are not directed at financing specific ammunition production projects. Instead, ASAP grants aim to address more systemic deficiencies in European ammunition production by strengthening the production capacities of manufacturers more generally. ASAP's capacity-building objective is also reflected in the evaluation criteria applied by the EU Commission when assessing proposals for ASAP grants.

ASAP grants may cover 35% of manufacturer's eligible costs for activities related to defense production capacities and 40% in the case of capacities for components and raw materials. If the activity in question contributes significantly to cross-border cooperation or if the applicant is an SME, a further 10% of the eligible costs may be financed through ASAP grants.

How can companies apply for ASAP grants?

Companies can apply for ASAP grants through a competitive call for proposals which has been [published by the Commission](#) on 18 October 2023. Applicants must be established and have their executive management structures within the EU or an associated country (i.e., Iceland, Liechtenstein, or Norway) to be eligible. Applicants must also be independent from control by a non-associated country/entity or, if not, have been subject to an FDI screening. If neither applies, a manufacturer must be able to provide certain guarantees that have been approved by a member state or an ASAP associated country.

To apply for ASAP grants, manufacturers must submit their proposals (including annexes and supporting documents) via the [Funding & Tenders Portal Electronic Submission System](#) before the **deadline** expires on **13 December 2023, 17.00 CET**. Proposal may be submitted in one of the official EU languages.

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We are there to support you

BLOMSTEIN advises on how to submit a proposal and how to proceed with the application process as well as on compliance with the funding conditions in the event that funding is granted. We are also glad to assist if your proposal is rejected or if you consider your competitor to unduly benefit from ASAP grants.

Please feel free to contact us in case of any query.