

Appendix

European Peace Facility (EPF) requirements on the eligibility and origin of military equipment on the Common Military List of the European Union

(applicable to assistance measures adopted after 15 November 2022) ⁽¹⁾

In accordance with Articles 7.1.12, 7.1.8 and 7.1.10 of the enclosed Special Conditions of the EPF Contribution Agreement:

- a. **Rules of nationality:** For the purchase of items on the Common Military List of the European Union ⁽²⁾ eligibility shall be restricted. With reference to Article 20.1 of the General Conditions, participation in procurement procedures shall always be open to international organisations as well as to organisations and companies established in EU Member States, Albania, Bosnia and Herzegovina, Georgia, Iceland, Kosovo*, Liechtenstein, Moldova, Montenegro, North Macedonia, Norway, Serbia, and Ukraine ⁽³⁾.

In addition, if the eligibility rules of the contracting Organisation allow it, participation may also be open to organisations and companies from any of the following countries: Aruba, Canada, Chile, Hong Kong Special Administrative Region of the People's Republic of China, Israel, Japan, Mexico, Singapore, South Korea, Switzerland, Taiwan, the United Kingdom, the United States of America ⁽⁴⁾.

- b. **Rules of origin:** With reference to Article 20.1 of the General Conditions, items on the Common Military List of the European Union may not originate ⁽⁵⁾ from countries other than those listed under point (a) above ⁽⁶⁾.

⁽¹⁾ Rules for the implementation of revenue and expenditure financed under the Facility (WK 8984/2021 INIT, as amended by WK 17213/2022), entered into force on 30 November 2022, available at: <https://www.consilium.europa.eu/media/60848/epf-new-implementing-rules.pdf>.

⁽²⁾ Common Military List of the European Union adopted by the Council on 20 February 2023, Council Notice (CFSP) 2023/C 72/02 (OJ C 72, 28.2.2023, p. 2-37).

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* This designation is without prejudice to positions on status, and is in line with UNSCR 1244(1999) and the ICJ Opinion on the Kosovo declaration of independence.

⁽³⁾ As per Article 50(1) third sub-paragraph of Book 3 of the EPF Implementing Rules.

⁽⁴⁾ As per Article 50(2) of Book 3 of the EPF Implementing Rules.

⁽⁵⁾ In accordance with Article 50a, paragraph 2 of Book 3 of the EPF Implementing Rules, items shall be considered as originating in the country where they were wholly obtained, or in which they underwent their last, substantial, economically-justified processing or reworking, resulting in the manufacture of a new product or representing an important stage of manufacture.

- c. **Documentation:** For the purchase of items on the Common Military List of the European Union, documentation related to the nationality of sub-contractors as well as to the origin of items is subject to the archiving obligations under Article 15.1 of the General Conditions.

Should the Organisation deem that the above rules of nationality and origin concerning the procurement of items on the EU Common Military List would not allow the objectives of the action to be achieved, it shall notify the Contracting Authority in advance and send a request for derogation containing the following detailed information:

- The nature of the circumstances that would require a derogation from the rules of nationality and/or origin under points (a) and (b) above;
- The way in which the participation of organisations or companies from country/countries (to be clearly identified) other than the ones listed above and/or the procurement of items originating in country/countries (to be clearly identified) other than the ones listed above would ensure the effective implementation of the assistance measure;
- The estimated duration of the derogation(s) to the rule of nationality and/or to the rule of origin needed for the achievement of the objectives of the action.

The request will be assessed in accordance with Articles 50(2) and 50(a) of Book 3 of the EPF Implementing Rules. The Contracting Authority, where appropriate, will submit it to the EPF Committee for prior consent and will inform the Organisation of the outcome without delay.

IMPORTANT: The above rules of nationality and origin for items on the Common Military List of the European Union shall also apply to sub-contractors, as well as to the origin of the items on the Common Military List of the European Union that may be procured by a grant beneficiary, as prescribed by Article 7.1.8 of the Special Conditions.

⁽⁶⁾ As per Article 50a(1) of Book 3 of the EPF Implementing Rules.