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Financing Europe's satellite infrastructure

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For strategic autonomy, Europe needs reliable access to satellite communications and geospatial intelligence for commercial and military purposes. For secure communications, the European Union is already building its own satellite architecture, but for military intelligence, surveillance and reconnaissance (ISR), the European architecture is fragmented and continues to rely on externally controlled capabilities. There is presently no independent ballistic missile detection system.

To increase ISR capacities, Europe has two options: individual countries build capacities that are later coordinated, or they agree on a common European ISR capacity. The case for common European ISR is both strategic and financial. At the strategic level, common capabilities reduce the probability that future governments could misuse them. The strategic case also involves providing access to all European countries, even those that cannot afford their own military satellite infrastructures. The financial case depends on how much common capacity is needed beyond current national and commercial provision.

Satellite services are a club good: shareable and excludable. Intelligence can be distributed cheaply but countries can be excluded from it. These features allow for cost savings while increasing the enforceability of payment obligations. We propose a financing model based on EU borrowing for the initial capital requirement. Subscriptions would fund operation costs, debt service and replenishment. Operational priorities and governance should be set by participating states under pre-agreed rules. The programme should be open to EU countries and close allies, and should launch once a viable coalition has committed.

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1 Introduction

Europe's defence spending is rising, up from 1.5 percent of GDP in 2022 to 2.2 percent in 2025, when total expenditure reached €418 billion. But defence procurement remains fragmented across jurisdictions and suppliers, production lines are often small and the fiscal space available to European Union countries varies significantly (EDA, 2026; Mejino-López and Wolff, 2026; Wolff *et al*, 2025).

Europe lacks its own access to some critical satellite services, used both for secure communications and for intelligence, surveillance and reconnaissance (ISR). This lack of access, and reliance on the US for these services, could have grave consequences for European security. During Ukraine's 2022 Kherson counteroffensive, for example, Starlink service – provided by US company SpaceX – was shut down over parts of the front, disrupting communications and drone operations[1]. In March 2025, the US suspended intelligence sharing and access to imagery distributed through the Global Enhanced GEOINT Delivery (GEGD) programme with Ukraine's military. US space technology company Maxar confirmed that GEGD-related access had been disabled in response to a US government directive.

These episodes showed that access to critical satellite capabilities that are controlled by a different jurisdiction can be changed or withdrawn for political reasons, even during an active war[2]. In October 2026, Ukraine's President Volodymyr Zelenskyy claimed Ukraine had not received US intelligence on ballistic missiles and that speed limits had been imposed for accessing US Starshield communication services[3].

Access to critical satellite capabilities that are controlled by a different jurisdiction can be changed or withdrawn for political reasons

European governments have begun to respond to these gaps. In September 2026, EU governments identified satellite communications and ISR among the capabilities to be developed under a new SPACE European Defence Project of Common Interest[4]. This sits alongside national and bilateral initiatives and the deployment of IRIS[2], the EU's secure-connectivity programme (see Box 1), but does not yet amount to a common European military ISR architecture.

Currently, European militaries combine national, EU and commercial systems with foreign government-controlled systems for both ISR and communication. This approach has proved insufficient to ensure secure communications and ISR. Therefore,

1 Starshield is a service controlled by the US military, while Starlink is a civilian service. Both are operated by US company SpaceX. Joey Roulette, Cassell Bryan-Low and Tom Balmforth, 'Musk ordered shutdown of Starlink satellite service as Ukraine retook territory from Russia', *Reuters*, 27 July 2025, https://www.reuters.com/investigations/musk-ordered-shutdown-starlink-satellite-service-ukraine-retook-territory-russia-2025-07-25/.

2 *Reuters*, 'US government revokes some access to satellite imagery for Ukraine', 7 March 2025, https://www.reuters.com/world/us-aerospace-firm-maxar-disables-satellite-photos-ukraine-2025-03-07/.

3 See for example Dan Sales, 'Zelensky urges US and Musk to lift Starlink restrictions and be on "right side of history"', *BBC*, 16 November 2026, https://www.bbc.com/news/articles/c6m25zg88k45o. At the time of writing, Starlink/Starshield disruptions affecting Ukraine are ongoing.

4 See Council of the EU press release of 28 September 2026, 'European defence industry: Council identifies the first five projects of common interest', https://www.consilium.europa.eu/en/press/press-releases/2026/09/28/european-defence-industry-council-identifies-the-first-five-projects-of-common-interest/.

EU governments are investing both in increasing their own capabilities and in common European infrastructure. Private commercial investments can also serve military purposes if jurisdictional obligations do not prevent contractual obligations from being met.

As European governments spend more on such satellite infrastructure, they face the choice between doing it alone or jointly. A common European system only makes economic sense if it fills a capability gap or replaces investment that countries would otherwise undertake themselves.

The case for a greater joint build-up has two parts:

1. Strategic: joint capabilities add up to a powerful self-restraint that reduces the probability that they will be misused by future governments, including against European neighbours. The strategic case also includes providing access to all European countries, even smaller nations that cannot afford their own military satellite infrastructures. Finally, given limited production, limited launch capacities and limited space and bandwidth to operate satellites, a strategy based on national investments only could lead to the crowding-out of critical services as duplicative services are prioritised based on a first-come-first-serve basis.
2. Economic: common provision of satellite services reduces costs as shared European assets substitute for multiple and redundant national ones.

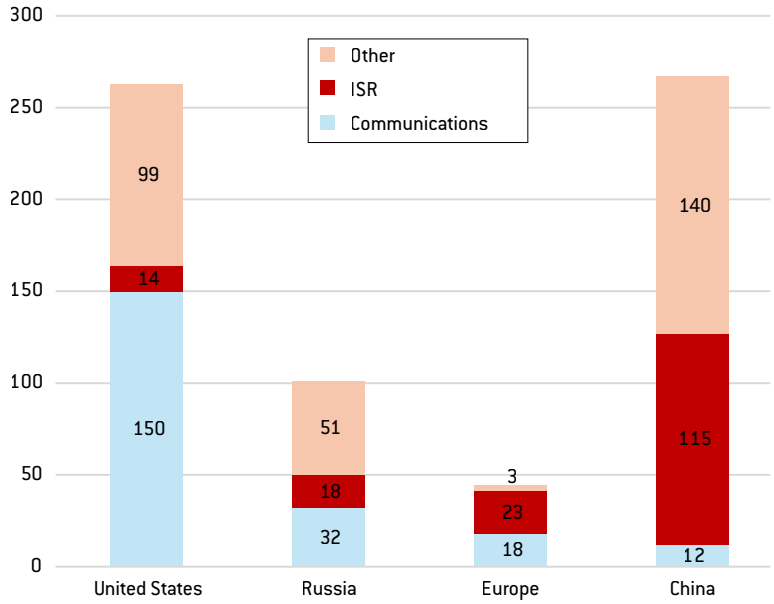
In this paper, we first review the state of play and gaps in the current European satellite capacities. We then make the case for common provision for satellite infrastructure and propose a funding model based on the properties of an economic club good (Buchanan, 1965). The final section concludes.

2 European satellite capacities: state of play and gaps

Europe's dependence on satellite infrastructure it does not fully control is a strategic vulnerability. Europe has far fewer military satellites than the US, China and Russia (Figure 1; 'Europe' counts five large European countries plus Luxembourg). European militaries therefore continue to rely on US-owned or US-controlled assets for several critical functions[5]. Europe needs enough sovereign capability to support deterrence and high-intensity operations.

5 Raw satellite counts only partially capture military capability. What matters is orbital coverage, sensor quality, revisit times, bandwidth, resilience and the ability to task assets when needed.

Figure 1: Number of military satellites deployed in 2024



Source: Bruegel based on IISS (2025). Note: Europe refers to the six countries covered by the underlying IISS dataset: France, Germany, Italy, the United Kingdom, Spain and Luxembourg. Luxembourg's inclusion reflects a significant government and commercial satellite communications role. ISR = intelligence, surveillance and reconnaissance.

The EU runs a number of satellite programmes; its global navigation satellite system, Galileo, shows that the EU can own and operate complex sovereign space infrastructure, though the development history of Galileo also illustrates the risks of delay, cost overruns and failed procurement models (ECA, 2009). A 2024-25 EU Agency for the Space Programme (EUSPA) user survey reported a satisfaction rate of 95 percent for Galileo's Open Service and 94 percent for the High Accuracy Service[6], while EUSPA performance reports state that the principal Galileo services comfortably exceed their minimum performance thresholds[7].

The EU Satellite Centre (SatCen) provides a different precedent. SatCen delivers geospatial intelligence, from operational tasking and data acquisition to analysis and secure dissemination, using commercial and government satellite data. SatCen output has increased tenfold since 2010 and exceeds 4,000 geospatial-intelligence products per year, ranging from rapid-response satellite-image assessments to detailed analyses of military facilities, infrastructure and other areas of interest. More than 80 percent of these are delivered within 24 hours. This shows an EU geospatial intelligence function operating at meaningful scale and speed, though the comparability of SatCen products to military-grade intelligence products is not available[8].

6 The Open Service provides free global positioning, navigation and timing. The High Accuracy Service provides high-accuracy positioning for applications requiring greater precision than the Open Service.

7 See EUSPA news of 17 September 2025, 'Galileo User Satisfaction Survey Confirms Strong Performance and Continuous Improvements', https://www.euspa.europa.eu/newsroom-events/news/galileo-user-satisfaction-survey-confirms-strong-performance-and-continuous.

8 See Josep Borrell, 'The EU Satellite Centre: the EU's eyes in the sky', *HR/VP Blog*, 3 September 2023, EEAS, https://www.eeas.europa.eu/eeas/eu-satellite-centre-eu%E2%80%99s-eyes-sky_en, and Josep Borrell, 'Sharpening Europe's Eyes in the Sky', *HR/VP Blog*, 29 August 2024, EEAS, https://www.eeas.europa.eu/eeas/sharpening-europes-eyes-sky_en.

The EU Government Satellite Communications (GOVSATCOM) part of the EU Space Programme provides a working model for pooling secure satellite connectivity. Participating countries' capacity is pooled into a common service catalogue and made available through the GOVSATCOM Hub to authorised government users across the EU[9].

The Hub's operations began in January 2026. In March, Cyprus was the first country to acquire and use a service through the Hub, drawing on Greek governmental capacity provided by Hellas Sat for security and safety operations on the EU's south-eastern borders[10]. This demonstrated that capacity supplied by one EU country could be allocated operationally to users in another through a common EU system. IRIS² (Box 1) will add dedicated EU-level infrastructure to this architecture: its governmental services are intended to complement GOVSATCOM and, once operational, will be integrated into the GOVSATCOM service catalogue[11].

Table 1: EU satellite capacities and unaddressed questions

Function	Current European capacity	Unaddressed questions
Secure satellite communications	GOVSATCOM; national and commercial capacity; IRIS² under deployment	What additional military capacity, crisis-priority rights and sovereign-control functions are needed beyond IRIS²? How can the rollout of IRIS² be accelerated?
Optical and radar ISR	National systems including SPOCK 1 and 2, CSO, SARah, COSMO-SkyMed and POLSARIS*; reciprocal-access arrangements; SatCen analysis	Whether these provide sufficient coverage, resilience and assured tasking for a European military mission?
Space-based infrared systems to detect launches of ballistic missiles	Limited or absent	So far, almost exclusive reliance on the US. Franco-German letter of intent JEWEL[12] foresees one German and one French satellite. Would a European solution be faster and more efficient?[13]
Tasking, processing and dissemination	SatCen, national services and national/EU ground	Which functions require common European control rather than national, allied or commercial provision? Where is NATO-based intelligence processing a possible source of vulnerability?

Source: Bruegel. Note: * SPOCK and SARah = Germany; CSO = France; COSMO-SkyMed = Italy; POLSARIS = Poland.

9 Norway and Iceland provide precedents. Agreements signed in 2026 provide for their participation in GOVSATCOM and the Union Secure Connectivity Programme, and for access to their governmental services; both countries also make financial contributions to the programmes. See European Commission news of 26 March 2026, 'EU boosts space cooperation with Norway and Iceland with Secure Connectivity Agreement', https://defence-industry-space.ec.europa.eu/eu-boosts-space-cooperation-norway-and-iceland-secure-connectivity-agreement-2026-03-26_en.

10 See EUSPA press release of 10 March 2026, 'Cyprus Completes First Operational Use of EU GOVSATCOM HUB Services, Marking a Milestone in European Secure Connectivity', https://www.euspa.europa.eu/pressroom/press-releases/cyprus-completes-first-operational-use-eu-govsatcom-hub-services-marking.

11 See European Commission news of 26 February 2026, 'EU GOVSATCOM: Securing Europe, from ground to space', https://defence-industry-space.ec.europa.eu/eu-govsatcom-securing-europe-ground-space-2026-02-26_en.

12 See Inder Singh Bisht, 'France, Germany Team Up on European Missile Early Warning System', *The Defense Post*, 28 October 2025, https://thedefensepost.com/2025/10/28/france-germany-missile-warning/, and Ministère des Armées et des Anciens combattants news of 24 October 2025, 'JEWEL: France and Germany lay the foundation for a European early warning capability', https://www.defense.gouv.fr/en/news/jewel-france-and-germany-lay-foundation-european-early-warning-capability.

13 Germany is building also its own missile tracking system; see Sania Kozatskyi, ' Germany to Create Satellite Constellation for Missile Tracking', *Militarnyi*, 4 February 2026, https://militarnyi.com/en/news/germany-to-create-satellite-constellation-for-missile-tracking/.

Table 1 provides an overview of the main European ISR capacities, the remaining gaps and questions policymakers need to answer. Gaps remain in secure satellite communications and, more importantly, there are substantial gaps in optical and radar ISR and space-based systems to detect and track ballistic missiles. There are also gaps in terms of tasking, processing and dissemination.

Europe thus already has elements of a federated satellite architecture, in particular for the development of secure communication systems. However, substantial ISR capacity gaps exist and EU countries have embarked on their own separate projects without a well-coordinated strategy: France's CSO optical-observation constellation provides optical military imagery; Germany's SARah radar-reconnaissance system[14] and the SPOCK 1 one system, and Italy's COSMO-SkyMed Second Generation satellites, provide radar imagery. Bilateral agreements give France access to German and Italian radar imagery in return for access to French optical imagery. Poland is also developing its own military radar-imaging constellation, POLSARIS[15].

Europe already has elements of a federated satellite architecture, in particular for the development of secure communication systems

Commercial systems complement the picture. ICEYE, a Finnish synthetic aperture radar (SAR) satellite company, supplies systems to several European countries. Poland has ordered six ICEYE satellites, the Netherlands four and Portugal four; Finland, Greece and Sweden have also contracted ICEYE systems. Germany pays for exclusive access and direct tasking of a dedicated commercial constellation that remains privately owned.

Box 1: IRIS²

IRIS² (Infrastructure for Resilience, Interconnectivity and Security by Satellite) is the EU's secure-connectivity programme[16]. Provision of services via IRIS² is planned to start in 2030, with the intention to provide encrypted, resilient communications for governments, defence, security and emergency services, alongside commercial broadband services. Under the regulation that established the programme, the EU owns the tangible and intangible assets that form the governmental infrastructure, including relevant satellites or payloads and ground infrastructure, and retains the right to prioritise governmental services over commercial use (Regulation (EU) 2023/588).

In December 2024, a 12-year concession was signed with SpaceRISE, a consortium of satellite, defence and communications companies, to develop, deploy and operate

14 See Bundeswehr, 'SARah - ein enormer Gewinn für die Aufklärung', 7 May 2026, https://www.bundeswehr.de/de/organisation/cyber-und-informationsraum/aktuelles/sarah-ein-enormer-gewinn-fuer-die-aufklaerung-5442966.

15 These arrangements grew out of the Multinational Space-based Imaging System (MUSIS), an effort to federate European military Earth-observation capabilities. France subsequently developed CSO nationally while concluding bilateral access agreements with Germany and Italy. France has guaranteed access to SARah, while France and Italy exchange access to CSO and COSMO-SkyMed through a common interoperability layer. See Direction générale de l'armement news of 16 June 2026, 'La DGA poursuit la diversification des moyens de télécommunications par satellite au profit des forces', Ministère des Armées et des Anciens combattants, https://www.defense.gouv.fr/dga/actualites/dga-poursuit-diversification-moyens-telecommunications-satellite-au-profit-forces.

16 See European Commission, 'IRIS² Secure Connectivity Programme', https://defence-industry-space.ec.europa.eu/eu-space/iris2-secure-connectivity_en.

the system. The contract initially envisaged a constellation of about 290 satellites[17] but in August 2026, an implementation agreement between the European Commission and SpaceRISE was concluded for IRIS², expanding the planned main constellation to 348 satellites[18]. The agreement also fixed key elements of the design, financing and deployment schedule, including satellite manufacturing, launch procurement and the secure ground segment. The first launches are planned for 2029, with sovereign secure services to follow.

IRIS² will thus combine public control of governmental infrastructure with private-sector construction, operation and commercial services. It also integrates and complements the governmental capacity already pooled through GOVSATCOM.

The 12-year SpaceRISE concession was initially costed at €10.6 billion: €6 billion from the EU over three seven-year budget cycles, €550 million from the European Space Agency (ESA) and more than €4 billion from the private sector. Spanish satellite operator Hispasat reported total planned investment above €15.6 billion, comprising up to €4 billion from the SpaceRISE operators and €11.6 billion of public investment[19]. According to ESA, the additional investment will draw from the 2028-2034 EU budget and contributions from EU and other participating countries[20].

3 The case for common provision: satellites as a strategic club good

The case for the EU producing its own common satellite services is strategic: it would be a way of deepening integration, committing resources and preventing misuse. The economic case for common provision is, however, based on the special features of satellite services as a club good – a good available only to members of the club and to which members have equal access, assuming no congestion.

Satellite services have unique features that make them a strategic club good. Intelligence services, once produced, can be shared at almost zero marginal cost. A finished image, common operating picture or intelligence assessment can be distributed

17 See European Commission news of 7 November 2024, 'IRIS²: the European Commission awards the concession contract to SpaceRISE consortium', https://digital-strategy.ec.europa.eu/en/news/iris2-european-commission-awards-concession-contract-spacerise-consortium.

18 See European Commission news of 7 August 2026, 'The European Union is accelerating and reinforcing IRIS2', https://defence-industry-space.ec.europa.eu/european-union-accelerating-and-reinforcing-iris2-2026-08-07_en.

19 See Hispasat press release of 7 August 2026, 'Hispasat confirms its commitment to IRIS² and will be the prime contractor for the ground segment, which exceeds €1.6 billion', https://www.hispasat.com/en/press-room/press-releases/archivo-2026/492/hispasat-confirma-su-compromiso-con-iris2-y-sera-el-contratista-principal-del-segmento-terreno-que-supera-los-1600-millones-de-euros.

20 See ESA news of 16 December 2024, 'ESA to support the development of EU's secure communication satellites system', https://www.esa.int/articles/esa-to-support-the-development-of-eu-s-secure-communication-satellites-system and ESA news of 7 August 2026, 'IRIS² reinforced and accelerated as implementation advances', https://www.esa.int/articles/iris2-reinforced-and-accelerated-as-implementation-advances.

to multiple authorised users at little extra cost. At the same time, the service is excludable: services can be withheld from users. Communication bandwidth, specific ISR tasking, downlink and processing capacity can become scarce when demand is high, such as in a crisis. The final intelligence product may therefore be widely shareable, even though the collection and processing needed to produce it are constrained. We therefore conceptually think of different satellite services as club goods with different degrees of rivalry and excludability.

These specific features make satellite services a great case for common provision. These features also suggest that a financing model can be structured to reduce costs per taxpayer while largely removing moral-hazard risks typically associated with jointly funded European projects.

Common provision avoids the duplication of national fixed costs. A shared ISR and communications system could reduce costs to the extent that it would replace investment that participating countries would otherwise undertake themselves. As a result, the cost per taxpayer could fall substantially, even for the largest countries, provided that the common system replaces national investment. For states that already have substantial national satellite programmes, the question is how much future planned and unplanned investment the common system can credibly replace.

The gains from common provision of services could also be seen on the industrial side. For example, the proposed Project Bromo, on which a memorandum of understanding was signed in October 2025[21], would combine the space businesses of European defence companies Airbus, Thales and Leonardo, potentially making technical integration and common standards easier. On the other hand, cost savings would be less if participants insist on national variants, guaranteed shares of contracts or production, or duplicative facilities. Therefore, common specifications should be agreed before tender. Procurement should be competitive and contracts should not be divided according to predetermined national shares. Extensive use of national-security exemptions could similarly push procurement back towards national solutions.

A further advantage of common provision of satellite services arises from the fact that launch capacities are limited (Terzi and Nicoli, 2026) and satellite production capacities are limited too. Any national satellite build-up risks delaying the provisioning of services for other countries that are not prioritised in launches for either financial or political reasons.

A counter argument against joint provision may be that European projects might take longer to plan and to execute than national projects. The example of Galileo shows that planning and execution may stretch out over years. However, national programmes have also been slow to get underway and difficult.

One thing is clear: common provision needs clear governance rules. Low marginal cost does not imply that every product should be available to every participant. National-security restrictions may limit dissemination; a tasking request can itself reveal sensitive

21 Jay Qian, 'What Is Project Bromo? Can Europe's New Space Giant Threaten SpaceX and Starlink?' *TradingKey*, 16 October 2026, https://www.tradingkey.com/analysis/stocks/us-stocks/262220549-bromo-project-europe-new-space-giant-spacex-starlink-tradingkey.

priorities. A common system therefore needs pre-agreed governance and rules that determine both tasking and dissemination. Governance should separate political control from day-to-day operation. Participating governments should agree the rules governing access and military priorities, while a designated operational authority should manage day-to-day tasking and crisis allocation within those rules. In peacetime, competing requests would be handled according to agreed priority rules. In a crisis, this unallocated capacity and, where necessary, other available capacity, would be reassigned according to pre-agreed operational criteria, rather than according to how much each country pays.

A further consideration is that the legal basis for EU-based defence-related spending remains a constraint. Article 41(2) of the Treaty on European Union disallows operating expenditure with military or defence implications arising from EU common foreign and security policy. Defence-related expenditure can nevertheless be financed under other Treaty bases: the EU Secure Connectivity Programme underlying IRIS^2, for example, is based on the EU's space competence under Article 189(2) of the Treaty on the Functioning of the EU. For spending on military ISR capability, the EU would need a legally clear approach (Grund and Steinbach, 2023).

4 Funding common satellite services

To cover the costs of commonly provided services, a subscription system could be structured that smartly uses the economic features of the club good. A base subscription could cover the fixed costs of the system, routine operations and planned replenishment. Additional charges would be warranted where extra use creates an identifiable cost – for example the purchase of additional commercial bandwidth. In extreme crisis periods, if scarce capacity proves a constraint, access should be allocated according to pre-agreed priorities, in case marginal pricing leads to services being provided not to the most objective security need, but to those countries with the greatest fiscal capacities.

Cost shares could be based on gross national income. Additional charges should apply only if extra use creates identifiable marginal costs, for example to purchase additional commercial bandwidth. Scarce operational capacity, such as ISR tasking, should not be allocated by price. Each participant could instead receive a baseline entitlement, with some capacity left unallocated so it can be assigned when demand rises unexpectedly.

The role of debt

The usual argument against joint financing is the worry that some countries may free ride on the shared asset. However, the ability to restrict services strengthens the incentive to pay. If non-payment can lead to the loss of specified services, governments will likely honour their subscription fees. Governments may still retain national backup capacity should access to the common system be curtailed for reasons beyond their control, including crisis reallocation or collective governance decisions. The consequences of non-payment should therefore be agreed in advance, introduced in stages and not left

to the discretion of the operator. Essential services should be protected during a crisis.

To achieve a rapid increase in satellite capacities, large upfront investments are needed. Funding for these should ideally come from debt issuance. Such debt issuance would free budgetary space in the next multiannual EU budget (2028-2034), in which some budget lines are scheduled to fund IRIS² and other satellite programmes. Debt issuance would also allow the large upfront cost to be spread over the lifetime of the satellites.

The EU or another European institution could either issue debt via a special purpose vehicle or use the debt-issuance capacity of the EU budget headroom. For reasons of convenience, and also financial market deepening of existing EU debt, we recommend debt issuance by the European Commission against the EU budget headroom (Grund and Steinbach, 2023). The EU would be the borrower and scheduled debt service would be an EU obligation. Participating countries would contribute through the agreed programme-financing mechanism, such as long-term subscriptions or budget contributions.

The financing model would be different from broader proposals to increase defence-financing capacity, such as a European Rearmament Bank or general-purpose common EU defence borrowing (Murray, 2024; Scazzieri and Tordoir, 2024; Steinbach and Wolff, 2024)[22]. Instead, for ISR services, common EU borrowing would finance a defined capability that is jointly provided, while costs are recovered through long-term subscriptions by participating countries. The moral-hazard and free-riding worry is particularly relevant when it comes to issued debt, but in this case would be largely irrelevant because of the ability to exclude non-paying countries from services under pre-agreed rules.

5 Conclusion and policy recommendations

Europe is already committing substantial resources to military space as it realises that it lacks substantial self-reliant systems for core functions needed to ensure security. Major gaps exist when it comes to the detection and the tracking of ballistic missile launches[23] and in terms of ISR capabilities more broadly and secure communication services. Many EU countries have committed to separate national investments, such as the German ISR SPOCK initiative. There are also bilateral agreements between individual member states to advance infrastructure, such as the JEWEL agreement between Germany and France on ballistic missile detection and tracking. IRIS² is now moving into deployment as the core common platform for secure communication.

Overall, however, the organisation of these investments, and their financing and ownership, lack an overarching framework. Continuing with the current approach relies

22 See also Gene Frieda, 'How can Europe turn higher defence spending into greater military capability?' *The Why Axis*, 2 November, 2026, Bruegel, https://www.bruegel.org/newsletter/how-can-europe-turn-higher-defence-spending-greater-military-capability.

23 Giorgio di Mizio, 'Europe and ballistic-missile warning: space for improvement', *Military Balance Blog*, 19 January 2026, IISS, https://www.iiss.org/online-analysis/military-balance/2026/01/europe-and-ballistic-missile-warning-space-for-improvement.

primarily on investment by individual member states. This leaves gaps, especially for smaller EU countries, increases the risk of duplication and higher prices and even later delivery of core capabilities because of competing and uncoordinated demands. Instead, we argue for a joint strategy.

The starting point of the joint strategy needs to be an assessment of what additional military capacity, crisis-priority rights and sovereign-control functions are required beyond the presently planned systems, and which planned systems could better be provided at the European level. For that, the Council of the EU should commission a European reference-capability assessment, drawing on member-state defence ministries and the relevant EU space and intelligence institutions.

The initial public capital requirement should be funded via EU borrowing rather than having to be accommodated entirely within the 2028-2034 EU budget. This would allow a genuine EU infrastructure to emerge, even for countries under fiscal strain. However, borrowing should not be used for operations and planned replacement. We recommend direct EU issuance of debt to fund these upfront capital investments. Participating countries should meet operating and replacement costs through long-term contributions. The EU should own the common governmental infrastructure, possibly following the IRIS^2 precedent under which it owns the governmental infrastructure and can prioritise governmental over commercial services (Regulation (EU) 2023/588).

The economic case rests on savings from joint procurement and the replacement of duplicative national investment. The strategic case is more fundamental: Europe should control the assets and decision rights required to ensure access to critical satellite services when foreign governments, commercial providers or political circumstances change.

Non-EU allies, such as Canada and the United Kingdom, could participate contractually without acquiring ownership of the EU asset. Countries that make long-term financial commitments could receive defined service entitlements and consultation rights on relevant governance decisions.

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