The EU's Next Multiannual Financial Framework

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The Next Multiannual Financial Framework: Space and Defence Perspectives from Brussels

On the evening of the 4th of March, on streets illuminated by the European Commission building in Brussels, we, as part of the EPIS delegation, headed to attend a talk organised by the European Defence Network on the European Commission's plan for defence and space policy in the next Multiannual Financial Framework (MFF).

On the 16th of July 2025, the Commission presented its proposal for the 2028–2034 MFF, a framework regulating the EU's annual budget for the

next seven years. The panel was held by David Jelínek, Policy Officer in Defence Policy and Innovation, and María Fernández Molinero, Head of the Unit for Space Policy. Both are members of the Commission's Directorate General for Defence, Industry and Space (DG DEFIS). As debates continue in the European Parliament and the Council of the European Union around the MFF, which amounts to almost 2 trillion Euros in the proposal, our two speakers took up their microphones to present their work on the defence industry and space funding aspects of the text. Here is what we learned:

1. Competitiveness in the MFF

The first topic of discussion, and the elephant in the room, is the major increase in the budget allocated to DG DEFIS aimed at improving European competitiveness. Indeed, the proposed MFF announces a stronger commitment to European security by stimulating the European defence space industry. The budget for DG DEFIS under the proposal is set to grow from 13 billion to 131 billion Euros. Madame Fernández Molinero suggested that if we count extra initiatives that can benefit the activities of DG DEFIS, this sum can increase by an additional 800 billion Euros.

2. Space shield and new space capabilities

Building on this broader push for European competitiveness, a significant share of this increased funding is directed towards the development of exciting new space capabilities. Thus, the space domain made up the second central pillar of the conference, focusing on the growing role of the EU in the space domain, and the Commission's desire of full sovereignty. The proposed MFF allocates significant resources to what the speakers called "space-based resilience", including both the maintenance costs of satellite constellations such as Galileo and Copernicus, as well as the Commission's aim to strengthen European supply chains, particularly in launch capabilities, be it with the development of launch sites, or the prioritization of European contractors and space startups to handle sensitive programmes.

Ms. Fernández Molinero highlighted the importance of covering the constant upkeep costs of these satellite constellations and securing sovereign supply chains. She emphasised that their dual-use nature is a key consideration for the European Commission: they are valuable capabilities in peacetime, providing economic benefits, while also serving as critical wartime resources. As planned in the next MFF, they represent important investments, offering military applications in navigation, communication, and anti-spoofing (false signals).

The constellations' growing importance is due to geopolitical developments. Ukraine in particular has demonstrated the utility of satellites in modern conflict, with uses ranging from secure communications to resilience against spoofing. As Europe is still partially dependent on foreign systems for space services, it is faced with serious vulnerabilities in times

of crisis. Investing in constellations is therefore an effort to ensure strategic autonomy, thus placing Europe in a better geopolitical position.

Besides that, new defence-oriented space initiatives emerge, and are to be implemented through dedicated financing in the next MFF. The flagship of these is the European Space Shield, a project developed under the Defence Readiness Roadmap 2030. The goal of this program is to provide shared space capabilities and increased space interoperability, by developing shared and secure space capabilities, such as satellite communications, navigation and surveillance.

3. The defence-industrial dimension DG DEFIS

Alongside space, the defence industry dimension of DG DEFIS was presented as a major beneficiary of the funding hike in the next MFF. The first and primary destination of that funding is the European Military-Industrial-Complex and the support of collaborative research and military development programmes. Instruments already in place, such as the European Defence Fund (EDF) are expected to remain central under the new MFF. New initiatives are planned to expand rather than replace existing mechanisms in the case of the EU's support for the defence industry.

The Commission's new MFF proposal is also incorporating new initiatives regarding military logistics, echoing NATO's efforts to incentivize members to develop their own critical infrastructure, from protecting command and control centres, to transport. The new MFF supports the Connecting Europe Facility and funds the building of transport infrastructures usable for military logistics across the Union.

Mr. Jelínek also offered an insightful interpretation of the Commission's approach to defence policy in the MFF. The main emphasis lies on simplification, meaning fewer instruments, but larger and more consistent funding, which are aimed at encouraging long-term investment from EU defence companies. This reflects the broader institutional consensus in the EU that strengthening defence capabilities and collective readiness are a strategic priority. It appears to us, that despite fast development and changes, the defence component of the next MFF seems to remain relatively stable in its structure and funding, suggesting continuity in how the Union aims to support its defence industry.