European Space Agency Goes Boldly

By

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The European Space Agency (ESA) will ask for 1 billion euros ($1.16 billion) for the development of a network of military-grade reconnaissance satellites. By transmitting ultra-high-resolution optical images to Earth at intervals of less than 30 minutes, this new ESA intelligence constellation will help counter threats and mitigate the consequences of natural disasters.

This 1 billion euros will be part of the ESA's overall budget request of 22 billion euros for the next three years. Member states are expected to approve the funding at the ministerial meeting in Bremen, Germany, on November 26, 2025. ESA Director General Joseph Aschbacher (ESA DG) made these announcements on the sidelines of the annual conference of the European Space Policy Institute in Vienna.

Consider it a down payment on the real deal, which is the increased weight of security in the future distribution of the ESA's space expenditures in the seven-year budget for 2028–2034. Because that budget will not be approved until 2028, the ESA's stop-gap solution is critical to securing the program's timely deployment. The deployment of such defense and security capabilities under the ESA program would be handled by an operational entity that has yet to be established.

The Times, They-Are-A-Changin'

During the half century since the creation of the ESA, hard power security was a "forbidden" topic with defense projects rejected as off-limits. This is no longer the case; the ESA DG confirmed that the agency's 22 countries now agree that defense projects should be included to strengthen security. The DG said, "This does not require changes to our convention, as we discussed this in detail last year; the wording 'peaceful purposes' is actually interpreted for defense. The best proof that member states agree with this interpretation is that they asked me to submit the program."

Bureaucratically speaking, the European Commission (EC) calls the new military satellite system the Earth Observation Governmental Service (EOGS). The ESA calls it the European Resilience from Space (ERS)—neither are military names.

Existing European Union (EU) space programs like Galileo, an alternative to the American Global Positionning System (GPS) and Copernicus, which monitors the effects of climate change, are used for civilian purposes. However, the ERS program is meant to pool national space assets and develop new capabilities in intelligence, surveillance, communications, and navigation to strengthen Europe's resilience and autonomy in the face of emerging security threats. The 1 billion euro split is 75/25. Seven hundred fifty million euros go to an Earth observation component (ERS-EO), feeding the EC's planned Earth Observation Government Services, expected to begin in 2028. The remaining 250 million euros support navigation (ERS-Nav). In addition, ERS-Com, the communications element, will encompass additional work for the IRIS2 program—the EU's secure satellite communications network in low Earth orbit expected to serve as an alternative to Starlink by the 2030s.

Old Dogs, New Tricks

As Russian President Vladimir Putin employs his nuclear swagger, with no endgame in Ukraine and no deal with Iran, Europe further faces a reality check in its security relationship with the United States—at a time when realism is resurgent. The EU developed a space strategy for security and defense with the European Commission taking charge.

While France doubles down on space defense tech and Nordic countries supercharge the North Atlantic Treaty Organization's (NATO) deterrence, political uncertainties in the European defensive build-up went from bad to worse, because NATO's defense math often does not add up. The involvement of the ESA would bring a significant political, budgetary, and industry contribution to European space defense capacity building.

As emphasized by the ESA DG, "Strategically, this is very important because the project is aimed at a new group of users, namely users in the security and defense sector. In this moment of rapid change, there is a critical need to synchronise European initiatives by aligning space for defence competencies, avoiding duplication, and pooling resources for scale. We still remain too fragmented to guarantee Europe genuine, comprehensive, and autonomous space resilience. We have an opportunity to change that, and we must."

In practice, participating European nations would retain control over their own assets but could make excess capacity available to others on an in-kind basis. This pooled capacity will be complemented by data from the EU's existing Copernicus Earth observation constellation and by new satellites developed under the program—the first of which could be launched as early as 2028—using a European launcher rather than using SpaceX.

Costly Regulatory Constraints

The European space and defense policy is proposed by the EC, reviewed by the European Parliament, and implemented by member states. In June 2025, the EC added the EU Space Act draft to its legislative amendment and adoption process for implementation no earlier than 2030.

The act's long lead time could reduce its immediate impact, as the EU's own constellations risks being outpaced by SpaceX's Starlink and its new direct-to-device (D2D) constellation. Amazon's Kuiper and by China's Guowang and Qianfan also threaten its relevance. The intention is laudable when it comes to harmonizing a fragmented legal environment that provides legal certainty and creates a competitive, resilient, and sustainable single space market across the EU. But it is also clear that American space companies dominating the global space market stand to lose the most from the EU Space Act, since compliance with the new rules would require rather costly adjustments. Even though the United Kingdom (UK) is a major contributor to the ESA budget, the UK is no longer part of the EU. As such, British space companies would need to establish themselves as European entities residing on the continent, including by merger and acquisition, to retain unfettered access to the market.

The ESA's $1 billion request is a long overdue move in the right direction. Europe, however, talks a great deal of "strategic autonomy" but has yet to unhitch itself from its over-reliance on the US in space and defense capabilities. Whether the European bureaucracy can pull it off and walk the walk remains to be seen in the current climate of political dissent and financial quandary.

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