

## Establishing the European space programme

Impact assessment (SWD(2018) 327, SWD(2018) 328 (summary)) accompanying a Commission proposal for a regulation of the European Parliament and of the Council establishing the space programme of the Union and the European Union agency for the space programme repealing Regulations (EU) No 912/2010, (EU) No 1285/2013, (EU) No 377/2014 and Decision 541/2014/EU

*This note is one of a series of brief initial appraisals of European Commission impact assessments accompanying the multiannual financial framework (MFF) proposals, tailored to reflect the specificities of the MFF package and the corresponding IAs.<sup>1</sup> It provides an initial analysis of the strengths and weaknesses of the European Commission's [impact assessment](#) (IA) accompanying the above-mentioned [proposal](#), submitted on 6 June 2018.*

### Political and legal context: objectives

As part of the 2021 to 2027 MFF, the European Commission has put forward a proposal for an EU space programme regulation that will cover existing space-related activities (Galileo,<sup>2</sup> the European Global Overlay System (EGNOS) and Copernicus<sup>3</sup>), extend one of the existing activities (Space Situational Awareness (SSA))<sup>4</sup> and include a new one (Governmental Satellite Communication (GOVSATCOM)).<sup>5</sup> According to the Commission, the consolidation envisaged will provide greater coherence, visibility and budgetary flexibility (IA, p. 6). In addition, the Commission is proposing to transform the existing Global Navigation Satellite System (GNSS) Agency (GSA) into a European Union agency for the space programme (IA, p. 9). The proposed programme draws on the [space strategy for Europe](#) adopted by the Commission in October 2016.<sup>6</sup> The strategy has been endorsed by the European Parliament<sup>7</sup> and the Council.<sup>8</sup> According to the IA, space is a strategic tool supporting a number of economic activities. The European space industry, including manufacturing and services, employs over 230 000 professionals and its turnover was estimated at between €46 and 54 billion in 2014 (IA, p. 7). The Commission emphasises the EU's prominence in the space sector and its global leadership role, including its participation in international organisations and bodies (IA, p. 8).

The IA identifies **six main challenges** for the EU space programme in the next MFF period, arising from political and global developments and based on lessons learned from existing space programmes (IA, pp 17-18): 1) climate change; 2) security and safety of people and goods; 3) competitiveness of the European space industry; 4) governance, including security governance; 5) data distribution and access; and 6) the need to link space data with other policy areas and economic sectors by increasing user uptake.

The IA sets the following **general objectives** for the space programme, in line with the established space strategy for Europe (IA, p. 18), to:

- 1 provide, or contribute to the provision of, high-quality, up-to-date and, where appropriate, secure, space-related data, information and services without interruption and whenever possible at global level;
- 2 ensure the programme's components remain at the most modern stage of technological development, provide services that meet existing and future needs and are able to meet the Union's political priorities, including as regards climate change and security and defence;
- 3 maximise the socio-economic benefits from the programme, for instance by promoting the widest possible use of the data, information and services offered by the programme;

- 4 promote the role of the Union in the international arena as a leading stakeholder in the space sector and strengthen its role in tackling global challenges and supporting global initiatives, including as regards climate change and sustainable development.

The **specific objectives** of the programme are three-fold (IA, p. 19), to:

- 1 ensure the continuity of the existing space infrastructures and services, and the development of new or enhanced ones;
- 2 foster an innovative European space sector that can compete globally; and
- 3 maintain EU capacity for autonomous access to space relying on an independent EU industry and guaranteed access to EU space data and services that it can use safely and securely.

Major overlaps between the specific and general objectives suggest that the specific objectives are not sufficiently specific.

### Programme structure and priorities: delivery mechanisms for the intended funding

The programme would be **structured** around EU space actions and horizontal activities (IA, pp. 22-24): Galileo, EGNOS, Copernicus, SSA, GOVSATCOM and actions in support of access to space, international cooperation and the space economy. The detailed characteristics of EU space actions would be covered by one regulation. Based on the challenges and objectives identified, the IA sets the following **three priorities** for the space programme (IA, pp. 28-29): 1) continuity of services for Galileo, EGNOS and Copernicus; 2) new space missions for Copernicus and evolutions for Galileo and 3) new actions: SSA and GOVSATCOM. The IA details the measures and the risks under each priority, but it does not specify how the priorities are linked to the challenges and objectives identified. The IA presents **two options** (IA, pp. 21-22; pp. 22-24):

- 1 the baseline scenario: a budget reduction of 15 % reflecting the UK's withdrawal; and
- 2 the proposed measures for the EU-27 under a new programme: with a sustained level of funding, increased by 50 %, compared with the current budget.

No other options are presented, nor is there any comparison of the options on the basis of their effectiveness and efficiency, risks and coherence, although this is required by [Tool #10](#) of the better regulation guidelines.

The IA provides a qualitative estimation of expected benefits based on the studies outsourced by the Commission (see Quality of data and analysis below). It does not however address the costs and benefits of transforming the GSA into a European Union agency for the space programme. The impacts of GOVSATCOM were discussed in a separate [IA report](#) and the impacts of SSA are discussed in a qualitative way. In light of the second and third general objectives, the IA might have benefited from an assessment of impacts on the environment, the economy and society, security and defence.

Delivery mechanisms for the EU space programme will revolve around the proposed changes to the governance model: ensuring coherence and synergies, and allowing for simplification and flexibility by streamlining the responsibilities of the main stakeholders. The IA details the changes proposed (pp. 32-37), but does not provide an assessment of the related risks.

#### Budgetary or public finance implications

The programme's financial envelope is set at €16 billion in current prices, compared with €11.1 billion in 2014 to 2020 prices.

#### SME test / competitiveness

According to the IA, the Commission has initiated a 'start-up programme' to promote start-up creation and growth in the downstream sector of its space activities (IA, p. 26), but no further information on this programme or about share of SMEs in the sector is provided. In the light of the programme's objective of fostering an innovative European space sector that can compete globally, the IA might have benefited from a discussion of the competitiveness of the European space industry.

## Relations with third countries

The IA discusses the international dimension of space in rather general terms (IA, p. 28). In light of the fourth general objective and the Commission's ambition in relation to participation in international organisations and bodies, the international dimension could have been given more emphasis in the IA.

## Simplification and other regulatory implications

As the title of the proposal suggests, the Commission aims to streamline the existing legislation by repealing four pieces of law. According to the IA (p. 32), governance simplification, mostly involving the GSA, will occur by streamlining management of implementation of the actions and roles of the main stakeholders (Commission, GSA, European Space Agency (ESA) and Member States). The IA discusses coherence and synergies in dealing with the ESA, national agencies, Member States, and in the field of security accreditation, access to space and Copernicus data treatment (IA, p.34-36).

## Subsidiarity / proportionality

The legal basis for the proposal is Article 189 TFEU (IA, p. 29). According to the IA, the development and operation of a space programme exceeds the financial and technical capacity of individual Member States and can only be achieved at EU level. As for proportionality, the envisaged EU space programme is considered to be proportionate as it is limited to those aspects that Member States cannot achieve satisfactorily on their own, and where the Union can do better (IA, p. 31). The Czech Senate issued a number of recommendations. The deadline for submitting reasoned opinions was 13 September 2018.<sup>9</sup>

## Quality of data, research and analysis

The IA is substantiated by several studies and reports. These include the [Copernicus ex-ante benefit assessment](#), the GSA [GNSS market monitor](#), a separate [IA report](#) for the GOVSATCOM initiative and the mid-term evaluation results for [Copernicus](#), [Galileo](#) and [EGNOS](#). However, the IA lacks different options, their comparison and a proper impact analysis as a standard element of an IA. Furthermore, the implications of transforming the GSA into a European Union agency for the space programme are not clear from the IA.

## Stakeholder consultation

The Commission conducted six online public consultations for the MFF proposals clustered by policy areas, rather than carrying out one online public consultation for each accompanying IA as is normally required by the better regulation guidelines. Instead of the mandatory 12-week duration, these six public consultations ran for eight weeks, from 10 January to 9 March 2018. The consultation on the space programme fell under the strategic infrastructure cluster, with 33 replies out of 441 coming from those who had either experience of (30) or an interest (3) in the current space actions. The 2016 consultation on the preparation of the space strategy triggered a much larger number of replies: 424 replies representing a wide coverage of respondents across different categories and geographical regions (IA, p. 47). Additional consultation activities have included targeted consultations, expert workshops and the 2016-2017 GOVSATCOM consultations. Stakeholder views are reflected in Annex 2 of the IA and broken down by category (IA, pp. 70-71).

## Monitoring and evaluation

It is expected that most of the existing indicators for the established space actions (Copernicus, GNSS) will be maintained and also used as a reference for the new programmes. Additionally, for each specific objective the IA provides indicators measuring the overall space programme performance (pp. 37-38). However, there are considerably fewer indicators listed in the proposal's annex than in the IA. A mid-term evaluation is scheduled for the mid-point of the MFF, in the course of 2023 or 2024.

## Commission Regulatory Scrutiny Board

The Regulatory Scrutiny Board (RSB) issued a negative opinion on 13 April 2018. Shortly afterwards, on 3 May 2018, the RSB issued a positive opinion with a recommendation to further improve the report. The RSB did not raise the lack of an impact analysis or the lack of options. Except for the comment that the specific objectives remained at a rather general level and that two of them overlapped with the two general

objectives, and the comment concerning the transformation of the GSA, it seems that most of the RSB's comments were addressed in the final IA report (IA, Annex 1, pp. 39-43).

## Coherence between the Commission's legislative proposal and the IA

The Commission's legislative proposal appears to correspond to the IA. The specific objectives in Article 4 have been reformulated reflecting each specific space action.

## Conclusions

To face the challenges identified for the EU space programme in the next MFF period, the Commission is proposing to continue the existing space services, launch new actions and increase the budget allocation, bringing all space-related activities under the new EU space programme. The governance changes proposed build on the lessons learned from the current framework, and aim to ensure coherence and synergies and to allow for simplification and flexibility. The IA is substantiated by several reports and studies. However, it merely presents the proposed measures without discussing alternatives or conducting a proper impact analysis. Nor does it address the costs and benefits of transforming the GSA into a European Union agency for the space programme, thereby falling short of the requirements of the better regulation guidelines.

## ENDNOTES

<sup>1</sup> The almost parallel adoption of the spending programmes and the MFF proposals had an impact on the IA process and resulted in simplified IAs, with their format and scope differing from the standard IAs as defined by the Commission's better regulation guidelines (see also [Toolbox 10 Financial Programmes and Instruments](#)).

<sup>2</sup> Galileo is the EU's Global Satellite Navigation System (GNSS) providing accurate positioning and timing information free of charge. EGNOS is a fully operational regional satellite navigation system which monitors and improves the accuracy in Europe of the USA's GPS signals. For further information, see M. Svášek, [Galileo and EGNOS](#), EPRS, European Parliament, January 2018.

<sup>3</sup> See S. Mazur, [Copernicus – The EU's Earth observation and monitoring programme](#), EPRS, European Parliament, October 2017.

<sup>4</sup> SSA covers the main space hazards: collision between satellites, space debris, space weather phenomena and near earth objects.

<sup>5</sup> GOVSATCOM is an initiative designed to ensure the availability of reliable, secured and cost-effective satellite communications, indispensable namely when ground infrastructure is non-existent (at sea, in the air or in remote areas), unreliable, disrupted or destroyed (by natural disasters, crisis situations or conflicts). In addition, the transmission of security critical information requires guaranteed access and a level of protection against interference, interception, intrusion, and cyber-security risks.

<sup>6</sup> For a historical overview, see V. Reillon, [European Space Policy: Historical perspective, specific aspects and key challenges](#), EPRS, European Parliament, January 2017.

<sup>7</sup> [Resolution](#) of 12 September 2017 on a Space strategy for Europe, European Parliament.

<sup>8</sup> [Council conclusions of 30 May 2017](#) on a space strategy for Europe.

<sup>9</sup> See the [Platform for EU Interparliamentary Exchange](#) (IPEX).

This briefing, prepared for the Committee on Industry, Research and Energy (ITRE), analyses whether the principal criteria laid down in the Commission's own better regulation guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, are met by the IA. It does not attempt to deal with the substance of the proposal.

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