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PROPOSAL

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

date of receipt: 17 November 2025

To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

No. Cion doc.: COM(2025) 692 final

Subject: Proposal for a COUNCIL DECISION on the signing, on behalf of the Union, of an Agreement between the European Union, of the one part, and Iceland, of the other part, laying down the rules for participation of Iceland in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme

Delegations will find attached document COM(2025) 692 final.

Encl.: COM(2025) 692 final

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COMPET.2

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EUROPEAN
COMMISSION

Brussels, 17.11.2025
COM(2025) 692 final

2025/0350 (NLE)

Proposal for a

COUNCIL DECISION

on the signing, on behalf of the Union, of an Agreement between the European Union, of the one part, and Iceland, of the other part, laying down the rules for participation of Iceland in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme

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EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Iceland is a close EU Space partner participating in several components of the Union Space Programme¹, with some exceptions including the GOVSATCOM component.

On 14 December 2023 Iceland requested to start negotiations on an agreement in view of participating in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme. On 25 February 2025 the Council authorised the opening of the negotiations on behalf of the Union.²

As defined in the Union Security Connectivity Programme Regulation (EU) 2023/588³ (the ‘Secure Connectivity Regulation’) and in the Union Space Programme Regulation (EU) 2021/696⁴ (the ‘Space Regulation’), the participation of third countries in respectively Secure Connectivity and GOVSATCOM shall be organised via a stand-alone international agreement in accordance with Article 218 of the TFEU.

The Icelandic participation in Secure Connectivity and GOVSATCOM will be concluded in one agreement because both programmes are intertwined, GOVSATCOM being also the service centre for Secure Connectivity and because the same conditions apply to Iceland’s participation in both programmes.

From a geopolitical point of view, the participation of Iceland in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme is of interest to the Union as it will contribute to strengthening Europe’s role as a global actor as it enlarges the Secure Connectivity use beyond the Union borders and will also promote international cooperation as defined in the Space Strategy for Europe⁵. An Agreement with Iceland strengthens the EU strategic posture which is an objective of the European Union Space Strategy for Security and Defence⁶.

The participation of a third country like Iceland is of interest to the European Union, also because by enlarging the use of Secure Connectivity, it generates income for the European Union.

¹ Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU, OJ L 170 of 12.5.2021, p.79-148.

² Council of the European Union, 5184/25 ADD 1 ESPACE 7 of 25 February 2025.

³ Regulation (EU) 2023/588 of the European Parliament and of the Council of 15 March 2023 establishing the Union Secure Connectivity Programme for the period 2023-2027 (OJ L 79, 17.3.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/588/oj>).

⁴ Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69, ELI: <http://data.europa.eu/eli/reg/2021/696/oj>).

⁵ Space strategy for Europe, a communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2016) 705 final of 26.10.2016.

⁶ European Union space strategy for security and defence, a joint Communication to the European Parliament and the Council, JOIN(2023) 9 final of 10.3.2023.

- **Consistency with existing policy provisions in the policy area**

The Secure Connectivity Regulation offers the possibility to open the Secure Connectivity Programme to third countries, the first category of which are the EEA EFTA countries.

An agreement with Iceland will complement the Union Secure Connectivity Programme. An agreement will also promote and strengthen Secure Connectivity outside the Union, in the strategically important high North.

- **Consistency with other Union policies**

Given Iceland's beneficial geographical location near the Arctic region Secure Connectivity is important to support key economic sectors, in particular telecommunications and transport.

A Secure Connectivity agreement with Iceland contributes to a number of EU priorities including the Green Deal, a Europe fit for the digital age, an economy that works for people and a stronger Europe in the World.

Given Iceland's beneficial geographical location near the Arctic region, an agreement will also contribute to peace and security and the sustainable development of the Earth.

The Strategic Compass for security and defence adopted by the Council on 21 March 2022 proposes that the EU space systems offer global connectivity to security and defence actors. It also calls for the Union to work on the proposal for an EU space-based global secure communication system. An agreement with Iceland will contribute to that.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Under Article 189(2) TFEU, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, should put in place the necessary measures to attain the objectives of a European space policy. One measure is to conclude international space cooperation agreements, such as the one prepared under this initiative.

Article 218(5) of the Treaty on the Functioning of the European Union (TFEU) provides that the Council, on a proposal by the negotiator, shall adopt a decision authorising the signing of the agreement and, if necessary, its provisional application before entry into force.

- **Subsidiarity (for non-exclusive competence)**

Through the Secure Connectivity Regulation and the Space Regulation, the Union is tasked to provide resilient, global, secure, protected, uninterrupted, guaranteed and flexible satellite communication solutions, built on a Union technological and industrial base, in order to increase the resilience of Member States' and Union institutions' operations.

Since the Union Secure Connectivity Programme and the Union Space Programme are Union programmes, the participation of third countries to both programmes cannot be achieved by the EU Member States themselves.

- **Proportionality and choice of the instrument**

As defined in the Secure Connectivity Regulation and in the Space Regulation, the participation of third countries in respectively Secure Connectivity and GOVSATCOM shall be organised via a stand-alone international agreement in accordance with Article 218 of the TFEU with a view to creating rights and obligations between the parties.

An international agreement is required in order to create rights and obligations between the parties: the EU as an international organisation and Iceland as a third country.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- Collection and use of expertise**

The Commission collected the necessary information and expertise, also in its discussions with EU Member States, including on the participation rights and obligations of non-EU countries as referred to in the Secure Connectivity Regulation and the Space Regulation.

4. BUDGETARY IMPLICATIONS

Iceland will contribute to the Union Secure Connectivity Programme and GOVSATCOM subcomponent based on its GDP including the adjustment for 2023-2025 for Union Secure Connectivity and for 2021-2025 for GOVSATCOM.

5. OTHER ELEMENTS

- Implementation plans and monitoring, evaluation and reporting arrangements**

The implementation of this agreement will be monitored by the Union and Iceland through a Joint Committee set up under the Agreement.

Proposal for a

COUNCIL DECISION

on the signing, on behalf of the Union, of an Agreement between the European Union, of the one part, and Iceland, of the other part, laying down the rules for participation of Iceland in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 189 in conjunction with Article 218(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) By letter of 14 December 2023, Iceland expressed its formal interest to start negotiations on an agreement in view of participating in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme.
- (2) On 25 February 2025, the Council authorised the opening of negotiations on behalf of the Union of an agreement between the European Union and Iceland laying down the rules for participation of Iceland in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme, and access to their governmental services. The negotiations were successfully concluded on 16 June 2025.
- (3) Iceland has a longstanding cooperation with the Union in the area of space and is participating in several components of the Union Space Programme.
- (4) The Union and Iceland have concluded a Security of Information Agreement.⁷
- (5) From a geopolitical point of view, the participation of Iceland in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme will contribute to strengthening Europe's role as a global actor and promote international cooperation as defined in the Space Strategy for Europe⁸. An Agreement with Iceland strengthens the EU strategic posture which is an objective of the European Union Space Strategy for Security and Defence⁹.
- (6) Therefore, the Agreement should be signed on behalf of the Union, subject to its conclusion at a later date.

⁷ Agreement between Iceland and the European Union on security procedures for the exchange of classified information, OJ L 184, 6.7.2006, p. 35.

⁸ Space Strategy for Europe, a Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM (2016) 705 final of 26.10.2016.

⁹ European Union Space Strategy for Security and Defence, a Joint Communication to the European Parliament and the Council, JOIN (2023) 9 final of 10.3.2023.

(7) In accordance with the Treaties, it is for the Commission to ensure the signing of the Agreement, subject to its conclusion at a later date.

HAS ADOPTED THIS DECISION:

Article 1

The signing, on behalf of the Union, of the Agreement between the European Union, of the one part, and Iceland, of the other part, laying down the rules for participation of Iceland in the GOVSATCOM component of the Union Space Programme and in the Union Secure Connectivity Programme, and for access to their services (the ‘Agreement’), is hereby authorised, subject to the conclusion of the said Agreement.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels,

*For the Council
The President*

LEGISLATIVE FINANCIAL STATEMENTS

LEGISLATIVE FINANCIAL STATEMENT ‘REVENUE’- FOR PROPOSALS HAVING BUDGETARY IMPACT ON THE REVENUE SIDE OF THE BUDGET

1. NAME OF THE PROPOSAL:

AGREEMENT BETWEEN THE EUROPEAN UNION AND ICELAND LAYING DOWN THE RULES FOR PARTICIPATION OF ICELAND IN THE UNION SECURE CONNECTIVITY PROGRAMME AND IN THE GOVSATCOM COMPONENT OF THE UNION SPACE PROGRAMME

[ICELAND, GOVSATCOM]

2. BUDGET LINES:

Revenue line (Chapter/Article/Item): 6 6 0 0

Amount budgeted for the year concerned:

(only in case of assigned revenues):

The revenues will be assigned to the following expenditure line (Chapter/Article/Item): 04 02 03.01.

3. FINANCIAL IMPACT

- Proposal has no financial implications
- Proposal has no financial impact on expenditure but has a financial impact on revenue
- Proposal has a financial impact on assigned revenue

The effect is as follows:

(EUR million to one decimal place)

Revenue line	Impact on revenue ¹⁰¹¹	12 months period starting 01/01/2026 (if applicable)	Year N
6 6 0 0	0.09		2026
Chapter/Article/Item ...			

¹⁰ The amounts per year need to be an estimation based on the formula or method defined under section 5. For the starting year, the yearly amount is normally paid without a reduction or prorata.

¹¹ In the case of traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.

Situation following action					
Revenue line	2027	[N+2]	[N+3]	[N+4]	[N+5]
6 6 0 0	0.12				
Chapter/Article/Item ...					

(Only in case of assigned revenues, under the condition that the budget line is already known):

Expenditure line ¹²	2026	2027
04 02 03.01	0.09	0.12
Chapter/Article/Item ...		

Expenditure line	[N+2]	[N+3]	[N+4]	[N+5]
Chapter/Article/Item ...				
Chapter/Article/Item ...				

4. ANTI-FRAUD MEASURES

5. OTHER REMARKS

(method/formula used for calculation of revenues)

For 2026 and 2027 contribution is based on the EFTA coefficient for the participation in the programmes, whereas for 2021-2025 retroactive participation is calculated based on actual amounts implemented in the period, as laid down in Decision of the EEA Joint Committee No xx/2025 of xx 2025.

¹²

To be used only if necessary.

LEGISLATIVE FINANCIAL STATEMENT 'REVENUE'- FOR PROPOSALS HAVING BUDGETARY IMPACT ON THE REVENUE SIDE OF THE BUDGET

1. NAME OF THE PROPOSAL:

AGREEMENT BETWEEN THE EUROPEAN UNION AND ICELAND LAYING DOWN THE RULES FOR PARTICIPATION OF ICELAND IN THE UNION SECURE CONNECTIVITY PROGRAMME AND IN THE GOVSATCOM COMPONENT OF THE UNION SPACE PROGRAMME

[ICELAND, USC]

2. BUDGET LINES:

Revenue line (Chapter/Article/Item): 6 6 0 0

Amount budgeted for the year concerned:

(only in case of assigned revenues):

The revenues will be assigned to the following expenditure line (Chapter/Article/Item): 04 01 02, 04 03 01, 13 05 01, 14 08 01.

3. FINANCIAL IMPACT

- Proposal has no financial implications
- Proposal has no financial impact on expenditure but has a financial impact on revenue
- Proposal has a financial impact on assigned revenue

The effect is as follows:

(EUR million to one decimal place)

Revenue line	Impact on revenue ^{13¹⁴}	12 months period starting 01/01/2026 (if applicable)	Year N
6 6 0 0	0.8		2026
Chapter/Article/Item ...			

Situation following action					
Revenue line	2027	[N+2]	[N+3]	[N+4]	[N+5]
6 6 0 0	0.7				

¹³ The amounts per year need to be an estimation based on the formula or method defined under section 5. For the starting year, the yearly amount is normally paid without a reduction or prorata.

¹⁴ In the case of traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.

Chapter/Article/Item ...					
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(Only in case of assigned revenues, under the condition that the budget line is already known):

Expenditure line ¹⁵	2026	2027
04 01 02	0.001	0.001
04 03 01	0.3	0.5
13 05 01	0.4	0.2
14 08 01	0.1	0.1

Expenditure line	[N+2]	[N+3]	[N+4]	[N+5]
Chapter/Article/Item ...				
Chapter/Article/Item ...				

4. ANTI-FRAUD MEASURES

5. OTHER REMARKS

(method/formula used for calculation of revenues)

For 2026 and 2027 contribution is based on the EFTA coefficient for the participation in the programmes, whereas for 2023-2025 retroactive participation is calculated based on actual amounts implemented in the period, as laid down in Decision of the EEA Joint Committee No xx/2025 of xx 2025.

¹⁵

To be used only if necessary.