



NEREUS

Feedback by NEREUS to the public consultation of the European Commission on the European Space Package

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Since its establishment in 2007, NEREUS (Network of European Regions Using Space Technologies) (www.nereus-regions.eu) has been the only European association governed by regions for regions (23 member regions supported by a great ecosystem of universities, SMEs, space agencies), dedicated to promoting the use of space technologies for the benefit of citizens at the local, regional, and European levels. As the voice of European regions on space applications from Copernicus/Galileo/EGNOS, NEREUS provides a unique platform for regions to shape their space policies/strategies, ensuring that space-based solutions bring benefits across multiple public domains such as maritime management, agriculture, urban planning, and disaster response. Additionally, NEREUS plays a crucial role in facilitating access to key EU policies, including the Smart Specialisation Strategy, helping regions leverage their assets and resources for innovation and economic growth. Organized as a European non-profit association (AISBL) under Belgian law, NEREUS advocates for regional interests at the EU level, acting as an interface between European institutions, such as the European Commission and the European Space Agency (ESA). By actively shaping European space policy and programmes, NEREUS ensures that regions remain at the forefront of space innovation while contributing to the betterment of society.

A perspective by regional governments and innovation ecosystems

NEREUS welcomes the European Commission's Space Package as a strategic initiative to reinforce Europe's global position in space, guided by the core European principles of **sustainability, safety, and resilience**. It provides a crucial opportunity to connect Europe's space ambitions with the innovation potential, economic needs, and sustainability goals of its territories, ultimately supporting citizens' well-being.

As a European network, NEREUS embraces a **harmonised European framework** for space activities and a **common market for space-based services and products**. By reducing legal fragmentation and compliance costs, such a framework could provide greater clarity, predictability, and investment certainty for companies. It would particularly benefit (aero)space firms operating across borders, fostering innovation and strengthening Europe's global competitiveness.

These objectives are closely aligned with the priorities and strategies of European regions. NEREUS' mission directly supports this alignment by promoting the uptake of Copernicus and Galileo/EGNOS by regional administrations and communities, and by helping its members develop innovative ecosystems. Knowledge sharing, best practices, interregional cooperation, partnerships, and networking are proven methods through which the network advances its members' space capabilities and assets.

Based on these experiences, NEREUS wishes to emphasise that achieving these objectives requires an appropriate balance between regulatory ambition and stakeholder impact, particularly for **SMEs and regional ecosystems**, ensuring **proportionality, transitional measures, and clarity** on definitions such as "primary provider", as well as coordination of standardisation and e-certification frameworks. Harmonisation must not lead to excessive compliance costs that hinder emerging actors from expanding or competing globally, slow down innovation, or weaken Europe's attractiveness to other space powers.

The EU Space Package also requires meaningful involvement of regional governments and innovation ecosystems¹ as strategic partners in governance and implementation. Regions are essential to translating EU objectives into practical applications, piloting downstream services, and providing feedback to policymakers. **Institutionalised regional participation in EU space governance is vital for competitiveness and territorial cohesion:** Europe must empower regions as cluster brokers, innovation facilitators, and funding partners, ensuring that regional ecosystems drive entrepreneurship, scale services, and foster inclusive growth. This reflects the crucial role of territories in delivering Europe's space ambitions.

SMEs and Start-ups: Central Actors Requiring Proportionate Support

In close exchange with regional clusters, SMEs, and start-ups, NEREUS identifies the following key risks:

- **Over-regulation** may hinder entrepreneurship and new market entrants;
- **Uneven capabilities** may widen territorial disparities;
- **Administrative and financial burdens** could strain local governance capacities and innovation dynamics and growth of SME and start-up communities;

¹ clusters, incubators, and testbeds

Accordingly, NEREUS calls for:

- **Explicit recognition of regional governments and their ecosystems as strategic partners in governance, implementation, and innovation, reflected in legislative wording and the Space Team Europe composition.**
- Setting up structured **coordination and exchange mechanisms** between the Commission, EUSPA and other institutional players and regional networks (NEREUS) on standardisation, data access, and capacity building to avoid duplication and lower compliance costs.
- Targeted **support instruments for SMEs and start-ups**, including guidance hubs, testbeds, financial vouchers, and innovation procurement delivered at the local/regional level.
- **Proportionate and phased compliance measures**, namely transitional, de-risking, and supportive measures for SMEs and start-ups to ensure harmonisation remains enabling rather than restrictive.
- **Policy tools that stimulate market uptake**, including regional innovation programmes, public procurement, pilot deployments, skills development, and cluster support.
- **Integration of space technologies into key EU policy agendas** such as the Competitiveness Agenda, Green Deal, Common Agricultural Policy, and Energy Union to stimulate public demand and market development.
- A user-centred approach to ensure services address concrete societal and operational needs.
- All regulatory measures (European and national Law) must be complemented by appropriate **funding and capacity building** to ensure all territories benefit. Coherent alignment with EU rules enables regional firms to seize emerging opportunities rather than be left behind.
- Furthermore, NEREUS emphasises that the European regulatory framework must ensure a level playing field with other global space economies. European companies should not face higher administrative, financial, or legal barriers to space activities than competitors in other economic areas. The goal must be to create a **European environment that enables businesses to operate faster, more efficiently and with clearer procedures**, thereby strengthening Europe's attractiveness for investment, innovation and talent in the space sector.

By ensuring their active involvement and supporting SMEs through a proportionate and innovation-friendly framework, the EU Space Package can:

- Accelerate the uptake of space solutions,
- Strengthening Europe's position in the global race as a space location attractive for talent and investment
- Promote territorial cohesion.

Explanatory Remarks:

I. The Explicit Role of Regional Governments and Ecosystems

The success of the EU Space Package requires the meaningful involvement of regional governments and their innovation ecosystems as strategic partners in governance and implementation. Their contribution will help safeguard innovation, ensure flexibility for SMEs and clusters, and support ecosystem adaptation.

Regional governments must be recognised as strategic implementation partners. With their competencies, networks, and local knowledge, and their proximity to citizens, industry, and research, regions are uniquely positioned to drive uptake and translate EU space capabilities into practical solutions for sustainability, digitalisation, and competitiveness. They also represent the territorial level where demand for space-based applications emerges and where innovation generates jobs and local growth.

Institutionalised regional participation will strengthen both competitiveness and territorial cohesion. Europe must enable regions to act as cluster brokers, innovation facilitators, and funding partners, ensuring that regional ecosystems drive entrepreneurship and foster inclusive growth. The regional and local governments could advocate that the national governments implement rapid administrative processes and authorization procedures to ensure an agile ecosystem and support the national governments with this endeavour.

The proposed EU Space Act will have significant direct and indirect implications for regions, influencing how they engage with licensing, compliance, and funding mechanisms. This influences how regional ecosystems operate, creating both new opportunities and additional governance responsibilities:

- Regions hosting research infrastructures, ground stations, incubators, and public services will be **directly affected** by harmonised licensing and compliance rules that will reshape local incentive structures and funding schemes. This further reinforces the need for regional involvement in implementation.
- Regional SMEs, start-ups, universities, and public administrations will also be **indirectly affected by** new compliance requirements and emerging opportunities created by a harmonised single market and incentive frameworks.

These shifts will influence how regional ecosystems, clusters, and research centres operate, **creating both opportunities and responsibilities for SMEs and local innovators**. A harmonised regulatory environment can reduce legal fragmentation and compliance costs, particularly benefiting firms active across Europe's aerospace market.

To unlock these benefits, regional programmes, funding schemes, and procurement practices must align with the new EU framework. Adjusting internal rules and procurement processes will help ensure consistency and create a genuine level playing field for companies across all regions.

Regions can significantly strengthen the EU Space Package by leveraging their proximity to local actors and role in integrating space innovation into territorial development:

- **Early Adopters and Demonstrators:** As public customers for EU-certified services, regions can validate new applications, create reference cases that drive private and public demand.
- **Cluster Broker and Integrator:** By linking SMEs, research institutions, and EU/national programmes, regions can aggregate demand, facilitate consortia, and provide “onboarding” support for compliance and certification.
- **Operational Integration and User Uptake:** Integrating space data in public workflows (such as environmental monitoring, land use, or disaster management), expands downstream market opportunities and creates real demand, lowers time-to-market for SMEs, and demonstrates public value. Regional governments play a decisive role in identifying, aggregating, and articulating user needs, ensuring that space-based services address real challenges.
- **Ecosystem and Skills Development:** The Commission will stimulate local ecosystems that connect space, digital, and other sectors to foster space innovation, involving incubators, accelerators, and fostering entrepreneurship and skills. Regional administrations can provide one-stop helpdesks, training, and compliance support to help SMEs and start-ups meet regulatory requirements. Regional clusters, universities, and incubators foster entrepreneurship, build talent pipelines, and support compliance readiness (e.g. Catalonia’s NanoSat Lab (UPC), 6GStarLab) and other local R&I centres are examples of such capacity (<https://web.nanosatlab.space>).
- **Funding Leverage:** By combining EU, national and regional funds, regions support local capacity building, infrastructure, and bridging “valley of death” funding.
- **Advocacy and Policy Feedback:** By representing local industry needs to national and EU institutions, regions ensure that regulation remains innovation-friendly and proportionate and considers bottom-up constraints. Through networks such as NEREUS, regions channel local experiences to national and EU authorities, ensuring regulation remains innovation-friendly and proportionate.

Regional and local governments can also amplify impact through **innovative procurement, investment in testbeds, and integration of space data into broader policies**—such as climate action, environmental management, and territorial planning. Networks like NEREUS play a key role in building public-sector capacity for effective space data use. Their contribution should be formally recognised, especially in relation to its promotional objectives and the preparedness of regional authorities.

The NEREUS community identifies key risks for regional ecosystems directly connected with the proposed Space law:

- **Over-regulation:** Excessive safety, environmental, or licensing requirements (especially safety, environmental, cybersecurity, debris mitigation, licensing) may stifle experimentation and deter private investment.
- **Uneven Capabilities:** Space is also an important topic for cohesion across Europe. Regions with limited industrial or research capacity may struggle to meet compliance demands, widening

territorial disparities (imbalance between regions with aerospace capabilities and without preexisting capabilities).

- **Administrative Burden:** New oversight obligations could strain regional administrations' resources and coordination capacities (cost and capacity burdens).

NEREUS calls for the **institutionalised involvement of regional authorities in EU space governance**, together with dedicated support for regional initiatives that promote the uptake of space services and investment in innovation ecosystems—clusters, incubators, and testbeds—that drive downstream entrepreneurship.

Many regions already have robust capabilities—such as research labs (UPC NanoSat Lab), innovation centres (i2CAT), ground infrastructure, and strategic frameworks (e.g. Catalonia's Space Strategy 2030)—making them strong partners for implementation. However, readiness remains uneven. Targeted support and capacity-building measures are essential to ensure that all regions can effectively contribute to and benefit from the single European space market.

II. Policy Tools for Market Uptake

To maximise the economic and societal value of Europe's space investments, the Space Package should prioritise effective policy tools that accelerate the uptake of space data and services across major EU policy agendas — particularly climate action, sustainability, and digital transformation.

Further to this, the future European Space Law and its vision should contain a clear political mandate to stimulate the integration of satellite-based information and services into major EU policy agendas. Here, the EU, national, and regional/local levels should cooperate to identify effective approaches to advance the uptake in the context of public policies and delivery of public services for the citizens.

III. Support Measures for SMEs and Start-ups

SMEs and start-ups are vital to Europe's space future. In many NEREUS regions, they are the protagonists of the space ecosystem. To ensure SMEs can thrive under a more regulated framework, the Space Law must include **proportionate, phased, and innovation-friendly implementation measures**.

▪ Anticipated Impacts

Following exchanges with aerospace clusters, SMEs and start-up community, NEREUS wishes to highlight some **Impacts** (positive and negative) that might evolve:

○ **Regulatory and Capacity Challenges for SME/start-up community:**

The EU Space Act's new licensing, compliance, cybersecurity, insurance, and environmental and debris mitigation requirements may create high entry costs (legal, administrative, technical) that smaller firms struggle to absorb. Many SMEs lack the legal or technical capacity (compliance capability) to meet these demands, risking slower growth or deterring ambitious missions.

- **Opportunities for Scale and Support:**

Conversely, a harmonised EU framework can reduce legal fragmentation, facilitate cross-border cooperation, and expand market access. SMEs can more confidently bid on or partner with other companies or organisations across Europe without being hampered by national exceptions or dual licensing. With complementary EU measures—such as R&D support, certification incentives, and a possible “Union Space Label”—SMEs could scale more easily and compete confidently across Europe.

NEREUS, therefore, calls for **dedicated, robust support measures** for SMEs and start-ups. While some are already foreseen in the Act, additional mechanisms that go beyond the current proposal should be reinforced during implementation to prevent over-regulation from stifling growth and entrepreneurship. Generally speaking, NEREUS highly welcomes the planned scaling of requirements according to company size and entity type (SME, research centers). However, additional mechanisms such as transitional, de-risking, and supportive provisions for smaller actors must ensure that harmonisation does not become a barrier to entry.

- **Transitional Provisions for Existing Missions**

Mandatory transitional (“grandfathering”) arrangements for previously authorised missions should prevent disruption to ongoing activities and safeguard SME participation. Insufficient transition support could weaken SME growth and Europe’s attractiveness for space innovation.

- **Phased Compliance and Regulatory Support**

Proportionate compliance pathways should enable young companies to start under lighter requirements, progressing to full compliance as they scale. Regulatory sandboxes and simplified authorisation for low-risk missions will foster entrepreneurship. Compared to the relaxed regimes applied for SMEs and universities, foreseen by the Space Act, this approach will provide a stronger support mechanism. Shared compliance tools, pre-certification templates, and regional support hubs will further reduce administrative and technical burdens. Regions and clusters could host compliance helpdesks or “regulatory hubs” to guide firms through implementation — a step worth considering in the Act’s rollout phase. **Early alignment incentives:** small grants or procurement pilots that reward voluntary early compliance and adoption of EU certifications and sustainability labels.

- **Simplified authorisation paths for low-risk missions** (e.g., CubeSats, R&D nanosats)

Simplified authorisation with paths for low-risk missions with clear “grandfathering” or notification procedures for missions previously authorised under national rules.

- **Access to Shared Infrastructure & Certification Support**

Affordable access to shared testing, demonstration, and certification infrastructures is essential for cost-effective market entry and validation of new technologies. Regions can host testbeds, sandboxes, and demonstration sites (e.g., EO ground stations, nanosatellite test benches, orbital servicing facilities, environmental chambers, orbital testbeds, launch interface testing), that enable controlled experimentation, de-risking of technologies, and validation of new services. These environments are essential for SME participation in innovation and standards of validation.

- **Capacity Building and Technical Assistance**

Although the EU Space Package already includes provisions for capacity building, NEREUS emphasises the need for targeted free or low-cost training and mentorship (legal, engineering, regulatory, safety) on e-certification, cybersecurity basics, and environmental compliance (and EF methodology), delivered by

regional RTOs and universities, larger firms or agencies, “boot camps”, coupled with financial support instruments such as grants or co-funding to offset certification and insurance costs.

These measures could build on existing EU initiatives like CASSINI, but should also cover compliance-related expenses. Activities linked to the regulatory framework should be economically supported alongside investment facilities such as the CASSINI Seed Investment Facility, Growth Investment Facility, and Debt/Non-dilutive Financing Facility, "Make it with Space" program.

With their close knowledge of local capabilities, regional administrations can deliver customised support — matchmaking, mentorship, shared labs, and prototyping — helping smaller firms adapt more quickly to new regulatory and market frameworks than national agencies could. Regional/local technical assistance hubs (regional one-stop shops) offering templates, legal guidance, and liaison with EU/national competent authorities.

▪ Strategic Procurement & Partnership Incentives

Binding innovation procurement targets at EU, national and regional levels should ensure SMEs gain early market access through public demand. Procurement should include SME-friendly lots, SME quotas where appropriate, and incentives for SME–prime partnerships that share compliance responsibilities. Regions could convene multi-region pilots and buyer consortia to create scale.

Regions and clusters can facilitate consortia and partnerships linking SME and start-ups with relevant EU/national organisations. Further to this, facilitating partnerships with larger industry players which ultimately might contribute to shared compliance responsibilities and spread risk. The Space Law should explicitly support SME–prime partnerships to foster integration and risk-sharing and provide for mechanisms to support SMEs in forming consortia or clusters with Tier-1 primes to share risk and compliance responsibilities.

▪ Stable Funding and Investment Incentives

Stable, predictable **funding and private investment incentives** (guarantees, co-investment, tax credits) and **targeted financial support** (grants, vouchers, co-funding) to cover initial compliance costs and environmental footprint (EF/LCA) reporting are crucial to sustaining SME growth and ensuring their participation in Europe’s expanding space economy. Harmonised EU regulations combined with regional support can further ease cross-border market access.

IV. Conclusion

The Space Package is a strategic opportunity to make space a driver of sustainable competitiveness and cohesive growth across Europe’s regions, positioning Europe globally as an attractive location for space-related business and research. Furthermore, depending on its implementation, the EU Space Act could strengthen resilience and better support government entities in crisis management situations.

To unlock this potential, **regional governments and their innovation ecosystems must be recognised as essential implementation partners and market facilitators.**

Dedicated regional support tools — such as regulatory advisory hubs, financial incentives, and innovation-oriented procurement — are necessary to ensure proportionate implementation and accelerate SME market uptake.

The proposal should be re-evaluated to strike a balance between building a resilient and sustainable European space market and promoting economic competitiveness. A balanced approach must ensure that harmonisation enables rather than restricts innovation, and that **transitional and grandfathering** arrangements safeguard continuity for missions already authorised under national regimes. The proposed regulatory level should be assessed to identify whether less stringent requirements could achieve the same objectives.

By enabling market creation, fostering uptake, and supporting user-driven innovation, the Space Package can transform Europe's space assets **into a cornerstone of the Union's green, digital, and resilient transformation.**