

**FUTURE
STARTS
ABOVE**



MFF 2028–2034 and FP10

BDLI assessment of the MFF 2028–2034, the
European Competitiveness Fund (ECF) and the
10th Framework Programme for Research (FP10)



Introduction: Common strategic framework and industrial policy significance




The Multiannual Financial Framework (MFF) 2028–2034 and the accompanying programmes – the European Competitiveness Fund (ECF) and the 10th Research Framework Programme (FP10) – mark a milestone in European industrial policy. The European Commission is proposing a budget of €1.98 trillion. This represents a profound structural reform of the EU’s budgetary policy to date.















Assessment

The BDLI recognises these programmes as a strong commitment to Europe’s technological sovereignty, to strengthening dual-use technologies and to supporting research-intensive industries. The BDLI welcomes the significantly increased budget volume of €451 billion in the ECF and €175 billion in FP10. Innovation funding for security-related technologies is strategically anchored.

Despite predominantly positive assessments, there are also structural deficits and critical issues, particularly in terms of governance, resource allocation and transparency of the new financial architecture. Civil aviation, in particular, risks falling behind in the long term.

Comparison: BDLI demands vs. EU Commission proposal on FP10 and MFF (2028–2034)

Sector	BDLI demand	Status according to the EU Commission (2025)	Comment/assessment
General demands	Reduction of bureaucracy	Partially fulfilled 	Simplified application procedures, less bureaucracy. However, some bureaucracy has been shifted from project administration to project implementation.
	SME involvement	Fulfilled 	Better involvement of SMEs through up to 100% funding
	Regulation of funding rates and partnerships	Partially fulfilled 	Discrimination against large companies through lower funding rates (max. 70%). The funding rate of 100% should be maintained in any case.

Sector	BDLI demand	Status according to the EU Commission (2025)	Comment/assessment
Civil aviation	Independent FP10 with a focus on aviation	Partially fulfilled 	FP10 is independent, but closely linked to ECF; structure unclear
	Continuation of Clean Aviation as a PPP	Partially fulfilled 	Mentioned, but not confirmed as a standalone partnership. Moonshot missions address disruptive technologies (e.g. hydrogen aircraft, quantum technologies). The standalone consideration of basic aviation technologies remains unclear
	Dedicated budget allocation for aviation	Not fulfilled 	No clearly defined aviation fund
	Regulatory framework for new technologies	Not fulfilled 	Lack of regulatory measures for new aviation technologies
	Visibility in programme design	Weak 	Aviation poorly positioned compared to space travel and defence
	EU should support the entire innovation pipeline for aviation research	Unclear 	All levels of technology maturity must be further developed at EU level. This involves all players in the research network, including industry (), universities, SMEs and large-scale research.
Space	Strong participation in security-related programmes	Fulfilled 	Space integrated into the "Defence & Space Window"
	Separate budget item for space	Not fulfilled 	No separate space fund; integration at higher level. BDLI calls for independent space ring-fencing (≥ €60 billion)
	Visibility of strategic programmes (Galileo, Copernicus)	Fulfilled 	Programmes structurally anchored, also recognised as security-relevant
	Promotion of NewSpace & in-orbit services	Fulfilled 	Future topics such as in-orbit services explicitly addressed
Defence	Extensive funding (EDF, EDIP)	Fulfilled 	Over €131 billion earmarked for defence and space
	Dual-use technologies and European preference	Fulfilled 	Strategically anchored in the ECF
	Participation of start-ups and SMEs	Fulfilled 	Clear openness and new opportunities for participation
	Clear governance and transparency	Partially fulfilled 	Governance structures and definitions are unclear in some cases; stakeholder involvement in the overall process is important

Sectoral assessment: Focus on space, defence and civil aviation

Defence

From the BDLI's perspective, European defence policy has been significantly strengthened with the MFF 2028–2034. The ASD's request for €100 billion for EDIP 2.0 and EDF 2.0 was met with over €131 billion in the ECF's „Defence & Space Window“.

Key points:

- Promotion of European sovereignty and reduction of dependencies on third countries.
- Structural support for European preference in procurement and support for strengthening supply chain security.
- Dual-use approach can strengthen innovation in security-related technologies.

BDLI-perspective:

- Positive effects for companies.
- Better opportunities for participation for industry, start-ups and SMEs with security-related products.
- Risks exist due to unclear governance of fund allocation and a lack of German coordination.

Space

Space projects such as Galileo, IRIS2, Copernicus and SST were also covered as part of the „Defence & Space Windows“. The BDLI therefore considers the demand for €40–60 billion to have been met de facto, even though no separate space fund has been set up.

Key points:

- Strategic access to orbit remains secure.
- Future topics such as space traffic management, in-orbit services and NewSpace are addressed.
- For the first time, space travel is structurally recognised as security-relevant infrastructure.

BDLI-perspective:

- Opportunities for companies.
- Positive influence on start-ups and SMEs thanks to simplified structures.
- Innovation catalyst for applications in climate, communication and navigation.
- BDLI calls for independent budget ring-fencing for space travel to ensure predictability and institutional visibility.
- Close synchronisation between EU programmes and ESA Ministerial Council conferences remains essential to ensure national co-financing and long-term planning.

Civil aviation

In contrast to defence and space, civil aviation was only partially taken into account. On a positive note, clean aviation is explicitly mentioned as a moonshot. The ambiguous scope of the moonshots should be leveraged to improve visibility in the specific aviation programme design (including a defined budget). Unfortunately, however, there is currently no clearly separated aviation fund.

Key points:

- Horizon Europe/FP10 includes aviation research, but without secure ring-fencing.
- Protection of the EASA budget not confirmed.

BDLI-perspective:

- Risk of limited visibility in programme design.
- Competitiveness of German aviation in global transformation process could suffer.

Overall conclusion and recommendations for action from the BDLI's perspective

From a German perspective, the defence sector can be considered the clear winner. The structure, scope and focus of the funds will strengthen European defence technology in the long term. The German space industry can be satisfied with the funds allocated, even if its institutional visibility is somewhat lower than that of pure defence projects. The aviation sector remains the weakest of the three. Although there are opportunities, there is a lack of strategic clarity and budgetary commitment.

Recommendations for action

1. The German Federal Government must get involved in ECF governance at an early stage and in a coordinated manner.
2. Ring-fencing for civil aviation programmes must be advocated politically.
3. Further expand and strategically support German involvement in space and defence with national funds.
4. Programme structures must remain understandable and combinable for industry (moonshots, partnerships, missions).
5. Call for independent space ring-fencing (\geq €60 billion) at EU level to ensure the visibility, predictability and competitiveness of space travel.

Annex: BDI/BDLI demands: ECF and FP10: List of positive, negative and pending points

	FP10	ECF
positive	<ul style="list-style-type: none"> ✓ Independent FP10 ✓ Increased budget for FP10 (€175 billion) + integration with ECF could result in an even higher budget ✓ Ring-fenced budget under FP10 ✓ Increased budget for Pillar 2 (€75 billion) ✓ Support for collaborative research and partnerships highlighted as a success ✓ Pillar for “competitiveness” and support for “collaborative research” remain in place ✓ Possibility for SMEs to make 100% of direct costs eligible ✓ Possibility of partnerships (JU) remains ✓ Association of third countries remains possible ✓ Research and technology infrastructures can be funded ✓ Funds can be combined with other funds ✓ Simplification of personnel cost accounting 	<ul style="list-style-type: none"> ✓ High budget with clear priorities (policy windows) ✓ Funds can be combined with other funds ✓ Coverage of all TRLs ✓ Third countries can be associated with the full scope of the ECF ✓ Support for projects involved in IPCEI
negative	<ul style="list-style-type: none"> – Discrimination against large companies (unclear whether only for FP10 or also for ECF) through: <ul style="list-style-type: none"> ▪ Financial contribution to partnerships (not just in-kind contributions → In-kind contributions must continue to be recognised in future. ▪ Maximum eligibility of 70% of direct costs would further reduce industry participation (also due to low success rates), which would lead to an academicisation of projects and less focus on assessing their marketability. → The industrial funding rate of 100% should be maintained in any case. – Pillar 2: Share of total budget down compared to FP9 (43% in FP10 vs. 56% in FP9), but adjusted for inflation, the total budget of €175 billion represents only a moderate increase. – Even greater emphasis on “high social impact” in Pillar 2 than in FP9. – Spread of lump sums; it is unclear whether audits will actually be completely dispensed with, as there is still an obligation to retain information. In addition, lump sums require a precise definition of objectives in order to receive funding. However, flexibility is crucial, especially in projects with low technology readiness levels (low TRL). – The stronger focus on objectives and the switch to lump sums will tend to make the application process more complex. Given the already low approval rates, there is a risk that willingness to participate will decline further. – Entities from non-associated third countries can participate in calls if they are from middle- or low-income countries: it is unclear what impact this will have on funding for EU and associated entities. – More open topics for calls may lead to greater unpredictability for companies – Conditions for setting up JUs are very high – public entities from at least five Member States are required 	<ul style="list-style-type: none"> – No fixed budget allocations for policy windows – Work programmes may specify specific criteria regarding participation, budget, etc. There are not many framework conditions for this, and the process appears arbitrary and solely in the hands of the Commission. – Two-stage award procedures: Intended to make it easier for companies to apply, but does not specify a budget, topic or financing instrument in the first stage. This leads to a lack of predictability and uncertainty regarding the cost-benefit ratio of an application.

	FP10	ECF
still to be clarified	<p>C What does the “close integration” of FP10 and ECF mean for companies in practice? What impact does it have on the quality of work programmes for HEU when they are incorporated into larger work programmes under ECF? Will calls become more unspecific?</p> <p>C Diversity of financing instruments within the framework of ECF/FP10 (grants, loans, equity, lump sums, etc.): This leads to uncertainty regarding the financing of collaborative research (e.g. FP10 specifies lump sums as the standard instrument, but these are not always the best instrument for research and innovation purposes: increased risk, pre-financing, reduced flexibility due to the high level of detail required, significantly increased effort in submitting applications, more complex technical reporting, no simplification of controlling due to internal requirements for documentation and lack of experience).</p> <p>C „Moonshots“ vs. Missionen:</p> <ul style="list-style-type: none"> ▪ What exactly do these look like? ▪ How are they financed? ▪ From which budgets are they financed? ▪ What is the governance behind them and what forms of participation should there be? ▪ What is the difference between “moonshots” and European partnerships or missions? ▪ Will the creation of multiple programmes (“moonshots” vs. partnerships vs. missions) increase the complexity of European programmes, and what additional costs will this entail for companies? How can the various instruments be distinguished from one another? ▪ Added value, differentiation from existing initiatives? Evidence-based moonshots require realistic and achievable goals. <p>C How exactly is defence research funded? Through HEU funds? The Specific Programme is addressed in HEU but interpreted in ECF – further clarity is needed here..</p>	<p>C Can FP10 and ECF funds be combined for research and innovation purposes and, if so, what percentage of the ECF can be earmarked/allocated for R&I?</p> <p>C How are funding rates determined? What models are there? (70%-100% as in HEU?)</p> <p>C The Accelerated and Targeted Actions for Competitiveness allow calls to be bypassed. Once again, it is not clearly defined when such an action can be used by the Commission – it again seems somewhat arbitrary and could also lead to preferential treatment of certain actors. Further clarification is needed on exactly how these actions are to work and under what conditions – if not clearly defined, this is likely to be negative.</p> <p>C EU preference: How does this affect associated countries? Will they be treated like EU Member States with regard to this concept, or can they also be excluded from some actions through EU preference?</p>



About the aerospace industry

The German aerospace industry, represented by the BDLI e.V., is an integral part of the European aerospace industry. As a key strategic industry, the sector plays a decisive role in the technological and economic sovereignty of the European Union. It promotes economic growth, technological innovation and international connectivity. In Germany alone, the industry contributes significantly to GDP with over 120,000 employees and an annual turnover of over 52 billion euros.

Over the decades, Europe has worked together with industry, member states and the European Union to achieve a leading position in the aerospace industry. This must be maintained and further expanded in the face of international competition. In view of far-reaching technological, political and industrial changes, this requires sustained investment in research and innovation.

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