

BUSINESS INNOVATION SYMPOSIUM (E6)  
New Business Models in Traditional Space Industry Applications (2)

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SPACE PROCUREMENT: IS THE COTS PROGRAM MODEL FAVOURABLE FOR EMERGING  
SPACE-FARING COUNTRIES?

**Abstract**

All space-faring countries have a same goal: be able to do more with less. This affirmation is even truer when it comes to developing and emerging space-faring countries, where the shortage of the resources comes together with the need of efficiency. Moreover, space sector procurement is a highly Information-asymmetrical due to the high technological level and the small numbers of competitors.

In 2005, the NASA's COTS program, unprecedented in its structure, developed as a no classical but specific space sector procurement, new criteria and characteristics for space procurement: performance-based milestone payments, government flexibility, Contractor-retained intellectual property, and an In-sight, not oversight, government's control. The government gets access to a capability that it needs, for substantially lower non-recurring development cost. Furthermore, recurring and life-cycle costs will also be lower than for a government-run operation due to the efficiencies of commercial implementation and competition. However, it is necessary to understand what are the conditions making that COTS-like procurement is efficient, and if emerging space-faring countries have strong enough institutions to this model be favourable.