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SPACE PROCUREMENT: A EUROPEAN TOOLBOX

Abstract

Procurement in the space sector faces similar challenges worldwide. A relatively small, high technology sector meets imperfect market conditions coupled with strategic policy considerations. Under these conditions, and due to the high dependence on the public sector, public procurement has an overwhelming influence on the space market. In Europe, procurement in the space sector is currently undergoing an unprecedented evolutionary process. The European Space Agency is in the midst of a major reform of its procurement regulation and contract conditions. The Financial Regulation of the European Union also has come under review. The research project SP4ESP makes thus a timely contribution in form of a toolbox for space procurement. The paper will briefly outline the policy objectives, market conditions and legal frameworks which provide the context in which space procurement takes place in Europe. Analogies will be drawn from other industrial sectors and a comparison to the US space procurement will be offered. Special focus is laid on extra-procurement instruments in order to explore ways outside the procurement regime to achieve desired (industrial/cohesional) policy objectives. Procurement being a means to an end, and not an end in itself, is viewed as tool and not as policy. Due to overlapping and at times not-well defined policy objectives, distinct space market segments, and a differing (EU / ESA) legal framework, a toolbox approach is adopted enabling flexible tailor-made solutions. Various tools are evaluated in light of policy, market and legal context. The paper finally presents a toolbox for space procurement in Europe, developed under an FP7 grant of the EU.