

IAF BUSINESSES AND INNOVATION SYMPOSIUM (E6)
Public-Private Partnerships: Traditional and New Space Applications (2)

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PUBLIC-PRIVATE RELATIONS: A REVIEW OF DIFFERENT PROCUREMENT MECHANISMS

Abstract

Procurement (or in the broader term, acquisition) is a proceduralised sequence of administrative acts implemented within the context of public or private bodies aimed to obtain the acquisition of goods or services, as part of the supply management process of that particular actor (Morlino. 2018). In particular, public procurement can be described as the relationship between public entities and private industry to ensure the reliable transfer of goods or services using public funds. Historically, the emergence of a successful private space sector could be attributed to the use of traditional public procurement by space agencies. Alongside their mandate to carry out RD activities, space agencies have acted as public procurement bodies, acquiring hardware, infrastructure, and services from industry to conduct their space programmes. Public procurement has allowed public bodies to stimulate the emergence of a space industry with the overarching goal to satisfy their public programme demands, while aiding the space sector in its journey to commercialisation. Thus, public procurement represents a strategic part of the public sector policy and systems, and an administrative function that can contribute to a higher policy objective. In the broader sense, three type public procurement models are usually envisaged within the space field: contract, anchor tenancy agreement and Public Private Partnerships (PPPs). Focusing on PPPs, following the rapid diversification and increase in the number of actors in space activities, those models have been increasingly used in many regions, including Europe. There is no single definition of public-private partnerships as this encompasses a variety of different arrangements. This paper provides a comparison of PPPs with the other, more traditional, forms of procurements, and define their relevance in the current space landscape. The paper demonstrates that an appropriate space acquisition model supported by agility and a shorter chain of command is mandatory to enable innovative space capabilities, and preserve and strengthen national space leadership. Eventually, it provides evidence that a solid acquisition culture is indeed fundamental to leveraging commercial capabilities and services to accelerate the fielding of important capabilities.