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Economics of Procurement in Space Contracting (6)

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SHOWCASING THE ROLE OF PUBLIC PROCUREMENT IN SUPPORTING START-UPS - BEST  
PRACTICES, CHALLENGES AND OPPORTUNITIES IN EUROPE

**Abstract**

The European start-up ecosystem, consisting of new foundations or young companies using space-driven technologies or space data (downstream) or geared towards the New Space Economy (upstream) has grown tremendously in the last decade. This development comes on the back of a consistent investment of public funds in variety of programmes in supporting entrepreneurship in the space domain. Space Agencies like ESA, DLR, CNES, UK Space Agency, Luxembourg Space Agency, as well as other public bodies like the European Commission and the GSA have clearly focused on supporting start-ups in an effort to boost technological and business innovation, as well as to support creation of new jobs. Even though the activities from the above mentioned institutions may have been perceived as uncoordinated and often overlapping, they have definitely helped the creation of a vivid entrepreneurial ecosystem in Europe, that continue growing. One great example is the success of the ESA BIC Network, with over 700 start-ups, fostered throughout Europe with thousands of new high tech jobs created. During and after completing an incubation programme in an ESA BIC, many start-ups take advantage of further dedicated programmes, offered by ESA, the national space agencies, the EC or GSA. These publicly funded programmes allow the start-ups to concentrate on their technology or innovation, as well as their business model during the early-stage development. However, at one stage, all start-ups need revenues and not only grants in order to ensure a healthy growth – a new approach to public procurement could play an important role in this respect. Currently the public procurement from space agencies is rarely relevant for start-ups, as the eligibility criteria are mostly insurmountable. There is a need to rethink the procurement rules and regulations for start-ups and challenge the current status quo. Based on my company's long successful experience in supporting space start-ups, this presentation will showcase different examples of European start-ups, that have benefited from diverse publicly funded supporting programmes (ESA BICs, EC/GSA Accelerators/Incubators, etc.) and elaborate on best practices, challenges and opportunities. It will also offer ideas for the development of more flexible procurement rules and regulations, faster procurement cycles and further supporting mechanisms, that would allow a targeted scale-up for start-ups and ensure their sustainable growth.