

Using PPPs to stimulate innovative project delivery models in the EO sector

Core objectives for ESA to use a PPP approach



Key elements for partnership success



Defining the pathway to a successful partnership

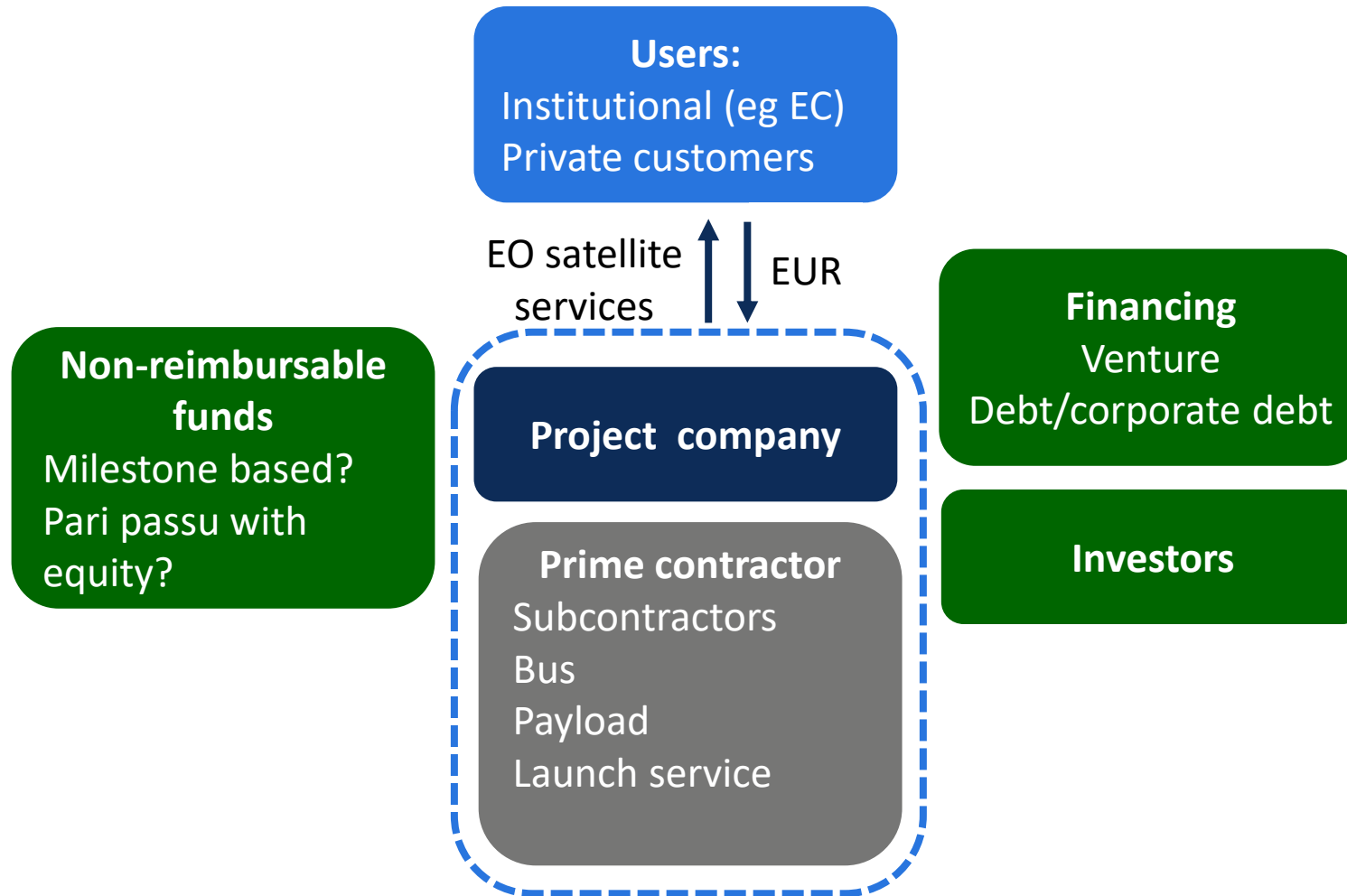


Developed a hypothetical use case to walk ESA along the partnership development path:

‘Enhanced GHG / CO₂ Monitoring Mission’

- level/nature of demand and customers
- Revenue, Capital, Operating cashflows => project FIRR
- Risk analysis and allocation
- Funding viability gap:
 - Public funding support required
 - Private financing levels and instruments in line with amount and risk profile

Potential partnering/contracting model



- **Strong public co-funding required in early stages** for technology and market demand derisking
- **Guarantee or revenue support mechanisms** to ensure bankability and enable private financing
- The partnership model must evolve from innovation support to revenue-backed performance-based service delivery: **initial phase with milestone based contracting structure prior to longer term service-based PPP structure**



- Funding source
- Technical development support
- Demand aggregator
- Performance monitoring