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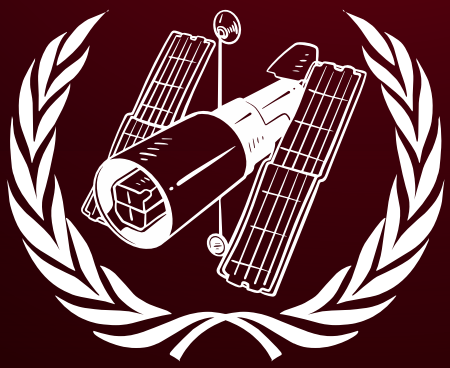
BACKGROUND GUIDE

SMIS MUN ‘24



COMMITTEE ON THE PEACEFUL USES OF OUTER SPACE (COPUOS)

ENGAGE . EMPOWER . EVOLVE

Agenda : Exploring New Funding Pathways for the Global Space Economy

LETTER FROM THE EXECUTIVE BOARD

Greetings Delegates!

We are delighted to welcome you to Sancta Maria MUN 2024. It would be our pleasure to serve as the Executive Board for the conference. As a valuable resource, we have designed this Background Guide to help you start your research process. The Background Guide will provide the guiding topics and questions for your external research and background research on your country.

We request every delegate to read the background guide and come to the conference with an open mind, ready to meet and work with new people and to participate in the debate actively. Keep in mind that this Background Guide should only be used as a tool to establish an understanding of the agenda. The delegates must research beyond what the Background Guide covers.

The delegates cannot use the Background Guide as a source during the conference. We urge the delegates to ask compelling questions and make interactive speeches in order to make the committee sessions more fruitful and interactive. Feel free to reach out to the Executive Board at any time prior to or during the conference if you have any queries regarding the agenda or the rules of procedure. We shall reply as soon as possible.

We wish you the best for your preparation.
Model UN conferences involve equal collaboration and competition, so keep your spirits high at all times.
We look forward to having a committee filled with different perspectives and enthusiastic delegates.

Regards,

Tarun Neeraj
(Chairperson)

Rida Saher
(Vice Chairperson)

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I. Introduction

The global space economy is expanding rapidly, fueled by advances in technology, rising commercial interest, and increasing government investments. Worth over $469 billion as of 2021, the space sector includes activities ranging from satellite services to space exploration missions. This economic growth has created new opportunities for countries, companies, and international organizations to contribute to and benefit from space activities. However, securing sustainable funding remains a challenge, especially for emerging space nations, private enterprises, and international projects.

The United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) is responsible for promoting the peaceful and cooperative use of outer space. This includes addressing the challenges of financing space activities to ensure equitable access for all nations and fostering international collaboration. As more nations and private entities join the space race, the need for innovative funding models becomes critical to ensure that space exploration and development are inclusive, sustainable, and accessible to all.

II. The Importance of the Global Space Economy

1. Space Technology and Infrastructure: Space-based technologies such as satellites, GPS, and remote sensing have become essential for modern communication, weather forecasting, agriculture, national security, and disaster management. The development of space infrastructure drives economic growth and improves quality of life globally.
2. Scientific and Exploratory Missions: Space exploration, including missions to the Moon, Mars, and beyond, fosters scientific discovery, technological innovation, and international prestige. It also opens up new frontiers for resource exploration, which may yield significant economic benefits.
3. Commercial Space Ventures: In recent years, commercial enterprises have become major players in the space sector. Companies such as SpaceX, Blue Origin, and Rocket Lab are working alongside governments to reduce the costs of space launches and enable new ventures, including space tourism and asteroid mining.

III. Challenges in Space Economy Financing

1. High Costs: Space activities require significant capital, with the cost of launching a satellite or manned mission reaching billions of dollars. The costs for infrastructure, research, and maintenance are major obstacles for countries and companies wanting to enter the space sector.
2. Public vs. Private Investment: Historically, government agencies such as NASA, the European Space Agency (ESA), and the China National Space Administration (CNSA) have been the primary financiers of space activities. However, the growing commercialization of space has raised questions about the roles of public versus private funding, with both having distinct advantages and limitations.
3. Access for Developing Countries: Many developing nations do not have the financial or technological means to participate in the space economy. There is a growing concern that these nations may be left behind in the future development of space infrastructure and technologies.
4. Regulatory and Legal Uncertainty: The current international legal framework governing outer space, including the Outer Space Treaty (1967), is inadequate to address
modern commercial activities such as asteroid mining and private space travel. This uncertainty impacts the ability of businesses and governments to secure investment and develop sustainable business models.

IV. Exploring New Funding Pathways

To sustain the global space economy and promote inclusive growth, COPUOS must explore new funding pathways that ensure equitable access to space for all nations and encourage innovation in the private sector. The following potential solutions could be considered:

1. International Public-Private Partnerships (PPPs): Governments and international organizations can work with private companies to pool resources and share risks in space projects. PPPs could facilitate large-scale projects such as satellite constellations or lunar missions while ensuring public oversight and equitable distribution of benefits.

2. Sovereign Wealth Funds and National Investments: Nations with sufficient resources could invest in space activities through sovereign wealth funds or national development banks. Such investments could drive space-related research and development and stimulate private-sector innovation.
3. International Space Bonds: An innovative funding mechanism could involve the creation of space bonds, issued by international organizations or space agencies, to raise capital for large-scale, multi-nation space projects. These bonds could be structured similarly to government bonds, providing a low-risk investment option for global investors.
4. Venture Capital and Private Equity: Startups and private companies in the space sector could attract venture capital and private equity funding. To encourage this, COPUOS could explore the possibility of creating space venture funds with contributions from multiple nations, focusing on early-stage companies with high potential.
5. Multilateral Development Banks: Institutions such as the World Bank and the International Monetary Fund (IMF) could establish dedicated funds for space-related infrastructure projects. These funds could be targeted at emerging space nations, helping them develop their own space capabilities.
6. Crowdfunding and Citizen Investment: Public engagement in space projects through crowdfunding campaigns and citizen investment opportunities could be another innovative pathway. Such methods have been used successfully in other sectors and could be adapted for space activities.

V. The Role of COPUOS

COPUOS plays a central role in shaping international policies on space exploration and ensuring that space activities are conducted for the benefit of all humankind. As the space economy grows, COPUOS must consider:

1. International Cooperation: Promoting collaborative projects between nations and private companies that emphasize equitable access to space.
2. Capacity-Building for Developing Nations: Ensuring that developing countries have access to funding and technical support to build their own space capabilities and participate in the global space economy.
3. Policy Recommendations: Developing recommendations for new international agreements or guidelines that facilitate investment in space while safeguarding peace, security, and sustainability in outer space.

VI. Questions to Consider

- How can public and private entities collaborate to reduce the high costs of space exploration and infrastructure development?
- What funding models would best promote the inclusion of developing countries in the space economy?
- How can the legal and regulatory frameworks for space be modernized to attract more investment from the private sector?
- What role should international organizations such as COPUOS play in financing the global space economy?

VII. Conclusion

The global space economy represents both a tremendous opportunity and a formidable

challenge. As space activities become more diverse and widespread, COPUOS must work to ensure that funding models are sustainable, inclusive, and capable of addressing the needs of all nations. Through international cooperation, innovative funding mechanisms, and a commitment to equitable access, the global community can unlock the full potential of space for the benefit of all humanity.

VIII. Questions to Be Answered by the Committee

1. **International Cooperation and Equity:**
- How can COPUOS foster stronger cooperation between nations, especially in financing large-scale space missions?
- What specific mechanisms should be developed to ensure that developing nations have equitable access to space and its economic opportunities?

2. **Private Sector and Public-Private Partnerships:**
- What role should the private sector play in the global space economy, and how can public-private partnerships be structured to benefit all stakeholders?
- How can the committee ensure that private investment in space remains aligned with peaceful and sustainable uses of outer space?

3. **Innovative Financing Models:**
- Should COPUOS endorse innovative financing mechanisms, such as space bonds or sovereign wealth funds, for space exploration? How would these models be implemented?
- What role could multilateral development banks play in funding space-related projects, particularly in developing nations?

4. Regulatory and Legal Frameworks:
- What reforms are needed to the current international space treaties to better accommodate commercial space ventures like asteroid mining, space tourism, and private space exploration?
- How can COPUOS create guidelines that encourage investment while maintaining oversight to ensure responsible use of outer space?

5. **Sustainability and Long-Term Funding:**
- How can the committee ensure that space activities are financially sustainable in the long term, particularly for scientific missions and space exploration?
- What global policies are needed to balance profit-driven commercial space activities with scientific research and exploration that may not have immediate financial returns?

IX. Further Reading

To better understand the dynamics of the global space economy and the challenges of funding space activities, the following resources may be helpful:

1. "**The Space Economy in Figures:** How Space Contributes to the Global Economy" – OECD (2021)
This report by the Organisation for Economic Co-operation and Development provides a comprehensive overview of the space economy's contribution to global economic growth.
2. **"United Nations Treaties and Principles on Outer Space and Related General Assembly Resolutions"** – UN Office for Outer Space Affairs (UNOOSA)
A collection of international treaties and agreements governing outer space activities, including the Outer Space Treaty (1967).
3. "**Financing the Space Economy:** Challenges and Opportunities" – World Economic Forum (2022)
This report outlines the key financing challenges and opportunities in the space sector, including emerging commercial space ventures.
4. **"Public-Private Partnerships in Space"** – European Space Agency (ESA)
This document details ESA's approach to fostering public-private partnerships in space activities, providing insights into the potential for collaboration between governments and private enterprises.
5. **"Global Space Exploration and Innovation"** – International Space Exploration Coordination Group (ISECG)
A report by ISECG that explores the future of space exploration and identifies key areas for international cooperation and innovation.
6. **"Space Sustainability: Ensuring the Long-term Sustainability of Outer Space Activities"** – UN COPUOS Working Group on the Long-term Sustainability of Outer Space Activities (LTS)
A set of guidelines aimed at ensuring that space activities are conducted in a sustainable manner, with an emphasis on responsible behavior in space.
7. **"Investment in Space: Space Startups and New Funding Trends" – BryceTech (2023)**
A detailed analysis of investment trends in space startups, exploring the growing interest from venture capital, private equity, and government funding.