



EU Innovation public demand policy

Innovation Procurement = PCP + PPI

☞ PCP (Pre-commercial Procurement):

- public procurers challenge innovative players on the market,
- via an open, transparent and competitive process,
- to develop new solutions for a technologically demanding mid- to long-term challenge
- that is in the public interest
- and requires new R&D services.

☞ PPI (Public Procurement of Innovative Solutions):

- to act as launching customer / early adopter / first buyer
- of innovative commercial end-solutions newly arriving on the market (that has not been adopted on large scale basis)
- Using large scale deployment.

Pre-commercial public procurement (PCP)

•Why

- To create growth and jobs 'in Europe'
- Keep competitive open market at all stages to get best value for money (short contracts per phase, no long term partnership contract locking into certain vendors)
- Give SMEs an equal chance to enter the procurement market (no selection criteria requesting large company turnover / long list of prior customer references, contract value / expected effort increases gradually phase per phase alongside the natural growth path of a growing company)
- possible with others to share costs

Pre-commercial public procurement (PCP)

- When

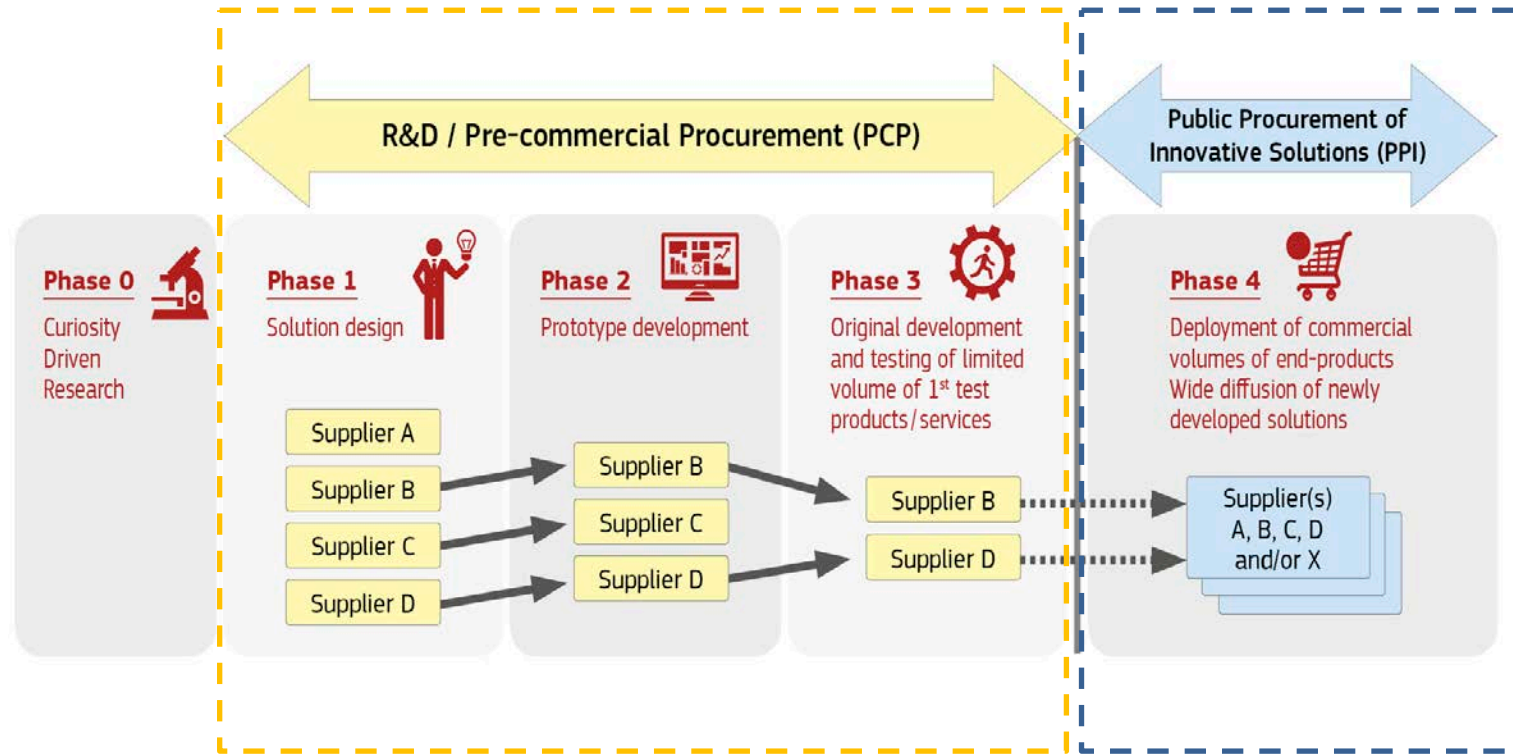
- Challenge needs radical innovation (“disruptive”), there is no solution 'on' or 'close to' market yet.
- There are different competing 'potential' solution approaches / ideas, but still R&D needed to compare / validate the pros and cons of different technological alternatives.
- No commitment to large scale deployment (PPI) yet.
- Procurer wants to induce a step change in the market (e.g. moving from proprietary / vendor lock-in situation to better open systems / multiple vendor environment including new players)

Pre-commercial public procurement (PCP)

- How

- PCP Legal Framework according to COM(2007) 799
- Open, transparent, non-discriminatory approach.
- Public sector buys R&D from several suppliers in parallel (comparing alternative solution approaches),
- With competition, evaluating progress, based on objective selection and award criteria, after critical milestones (design, prototyping, test phase),
- Gather information about risks & benefits of R&D shared with suppliers to maximise incentives for wide commercialisation,
- Sharing of IPR related risks and benefits under market conditions (No funding! But competition for R&D) to encourage wide commercialisation.

The EU innovation demand policy



article 14 of Dir 2014/24/EU (Public Sector Directive)

PCP Example Nightingale

