



H2020 support through PCP/PPI action instruments

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Forms of support



- ❖ Coordination and Support Actions (**100%** funding rate):
 - Support only coordination activities e.g. preparation of a PCP or PPI by a group of procurers (investigating feasibility to start PCP/PPI, open market consultation with industry before initiating a concrete PCP or PPI etc)
 - CSAs do not provide EU co-financing for an actual PCP or PPI procurement
- ❖ PCP Actions (**90%** funding rate):
 - Provide EU co-financing for an actual PCP procurement (one joint PCP procurement per PCP action) + for related coordination and networking activities (e.g. to prepare, manage and follow-up the PCP procurement)
- ❖ PPI Actions (**35%** funding rate):
 - Provide EU co-financing for the actual PPI procurement(s) (one joint procurement **or several separate but coordinated PPI procurements** per PPI action) + for related coordination and networking activities (e.g. to prepare, manage and follow-up the PPI procurement(s))

! New from WP2017 onwards !

PCP and PPI actions – participation requirement



Minimum 3 independent participants from 3 different MS or AC, of which minimum 2 public procurers (buyers group) from 2 different MS or AC

In addition, other entities can also participate

- In buyers group: also private/NGO procurers providing services of public interest
- In coordination/networking activities: any private/public type of entity (e.g. experts, end-users, certification bodies that assist procurers) that has no conflict of interest (no potential suppliers of solutions for the PCP/PPI)

Sole participants can be also eligible if the minimum conditions are met by the legal entities forming the sole participant (e.g. central purchasing bodies, European Research Infrastructure Consortia, European Groupings of Territorial Cooperation)

Public procurers are contracting authorities or contracting entities as defined by the EU public procurement directives

MS = Member States, AC = Countries Associated to Horizon 2020

PCP and PPI actions - Role of different actors



❑ **Beneficiaries and third parties**

- Action involves beneficiaries that undertake together the PCP procurement or PPI procurement(s), i.e. the buyers group & the lead procurer
- Action can include third parties that can make in-kind contributions (make available resources / equipment to the beneficiaries to carry out the PCP or PPI(s)). E.g. end-users (fire brigades) as 3rd party associated to procurer/beneficiary (min. of interior)

❑ **Buyers group**

- Procurers in the action that provide the financial commitments for the PCP or PPI(s)
- Min 2 public procurers from 2 different Member States or associated countries
- Representing the demand side (responsible for acquisition and/or regulatory strategy, or having a mandate from one of more of such procurers to act on their behalf in the procurement e.g. central purchasing bodies)
- Seeking ambitious quality and/or efficiency improvements in services of public interest

❑ **Lead procurer**

- Procurer appointed by buyers group to lead and coordinate the PCP or PPI(s). Can be one of the procurers in the buyers group or another procurer.

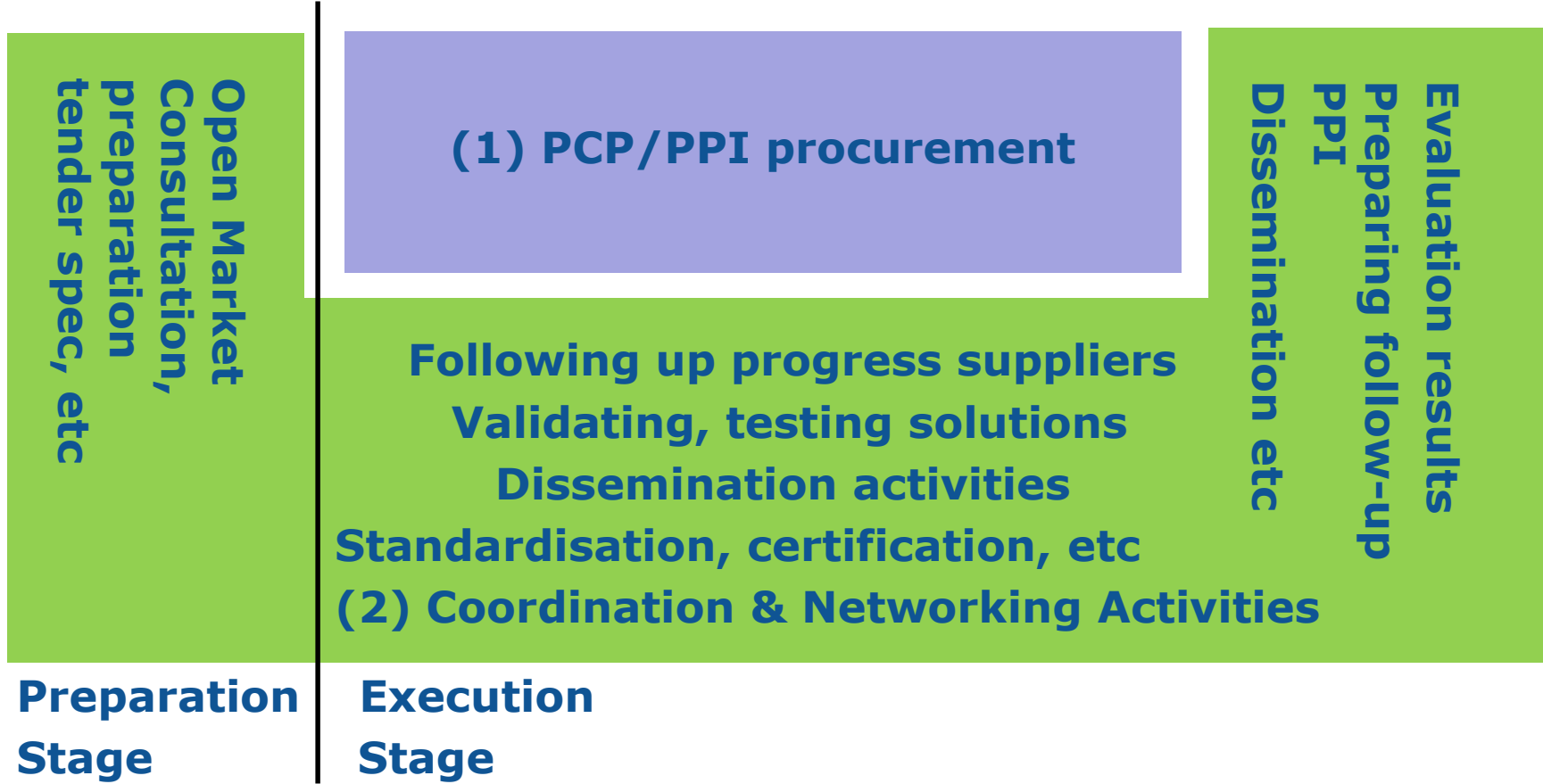
❑ **Subcontractors**

- Successful tenderers, selected by the buyers group & lead procurer as result of the PCP or PPI call for tender, to provide the R&D services (PCP) or innovative solutions (PPI). They do 'NOT' enter the grant agreement with the EC and are not paid by the EC

PCP and PPI actions – What is covered



PCP/PPI actions co-finance (1) + (2)



Every project goes through a preparation stage and an execution stage

PCP and PPI actions - Eligible activities



❑ Preparation stage

- Preparation of **one joint** PCP procurement per PCP action or **one joint or several separate but coordinated** PPI procurements per PPI action
- Open market consultation /verification of market readiness to meet procurement need
- Outcome
 - Agreed common tender specifications + Procurement agreement
 - Confirmation of availability of financial commitments to start PCP/PPI

❑ Execution stage

- Procurement of the R&D services (PCP) or innovative solutions (PPI)
- Follow-up of suppliers and validation of results
 - PCP: Validation/comparison of the performance of the competing PCP solutions against jointly defined criteria in real-life operational conditions
 - PPI: Evaluation of results of deploying and operating the procured solutions in real-life operating conditions
- Dissemination/exploitation of results

Other coordination/networking activities relevant to the action (e.g. preparation of follow-up PPI, contribution to standardisation / regulation / certification)

PCP and PPI actions – EU contribution



- ❑ **Reimbursement rate direct costs: Max 90% respectively 35% of eligible costs for PCP actions respectively PPI actions**
 - Eligible direct costs to carry out eligible activities defined in WP include:
 - Price of the R&D services (PCP) or innovative solutions (PPI) procured (if procurement conducted in compliance with requirements in Annex E WP)
 - Eligible coordination and networking activities
 - May include in-kind contributions (e.g. third parties putting resources at disposal of beneficiaries e.g. for testing of solutions)
 - VAT is an eligible cost unless for beneficiaries that can deduct it
 - Requested reimbursement for coordination and networking activities can comprise max 30% (for PCP) / max 50% (for PPI) of total requested grant
- ❑ **Plus 25% for indirect costs.** But, no indirect costs on the price of the PCP/PPI procurement or on 3rd party resources not used at the beneficiary premises
- ❑ **Pre-financing:** Yes, 1st pre-financing at start project for costs for preparation stage, 2nd pre-financing before execution stage for rest of costs (incl. call for tender)

One joint PCP coordinated by the lead procurer



- In their proposal, consortium shall have already identified one concrete procurement need as proposed focus for the PCP that is identified as a **common challenge** in the innovation plans of the buyers group and requires R&D!
- One joint call for tender published EU wide
 - One joint evaluation of offers based on common tender specs
 - One lead procurer awarding all contracts in the name and on behalf of all procurers in buyers group
 - Each winning tenderer gets: 1 framework agreement to participate in the PCP + one specific contract per PCP phase (solution design, prototyping, testing)
 - One joint total budget (grouping financial commitments of all procurers in buyers group) from which all R&D providers are paid
- But, actual payments can be carried out centralised or distributed
 - Either all R&D providers paid by the lead procurer
 - Or each R&D provider paid pro rata by each procurer in the buyers group according to the share of each procurer's contribution to the common pot
 - Also supervising suppliers and testing of solutions can be centralised or distributed
 - Choice between testing all solutions of all R&D providers in 1 procurers site or on several sites procurers sites etc

Specific requirements PCP procedure (Annex E WP)



- ❑ Procedure: Compliance with applicable national procurement rules + compliance with additional specific requirements
 - Definition PCP (Horizon 2020 RfP and PCP communication)
 - EU-wide published open market dialogue and call for tender
 - PCP call for tender open for at least 60 days
 - Same objective evaluation criteria
 - Functional / performance based specifications
 - Best value for money award criteria
 - Majority of R&D activities performed in MS/AS

- ❑ IPR arrangements for PCP
 - R&D providers generating results in PCP shall own attached IPRs
 - Procurers shall enjoy royalty-free access rights to use R&D results for own use
 - Procurers shall also enjoy the right to grant or to require participating R&D providers to grant non-exclusive licenses to third parties to exploit the results under fair and reasonable market conditions without any right to sublicense

One joint PPI or several coordinated PPIs coordinated by the lead procurer



- In their proposal, consortium shall have already identified one concrete procurement need as proposed focus for the PPI that is identified as a **common challenge** in the innovation plans of the buyers group and requires innovative solutions!
- EU wide publication of **one joint or several separate call for tender(s)** that are coordinated based on common tender specifications (If PPI procures a limited set of prototypes / test products developed in a preceding PCP, then negotiated procedure without publication foreseen in EU public procurement directives is possible)
- Evaluation of offers based on common tender specs (**same core functionality** and performance characteristics for solutions procured by all procurers, but possible **additional local functionality** for each procurer)
- But contract award can be centralised or distributed
 - In case of 1 Joint procurement:
 - Either one lead procurer awarding all contracts to all suppliers on behalf of all procurers in the buyers group
 - Or one lead procurer only awarding a framework contract with lots to each supplier (e.g. lot per procurer), and each procurer awarding (a) specific contract(s) for his lot(s) to the supplier(s) delivering the solution(s) he buys
 - In case of several separate but coordinated procurements:
 - Each procurer awarding his own contract(s) directly himself
- Also supervising suppliers and payments can be centralised or distributed

Example PPI action

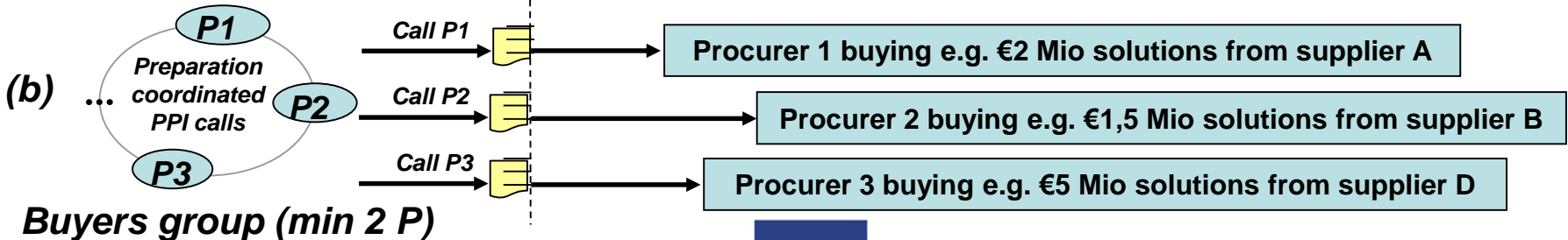
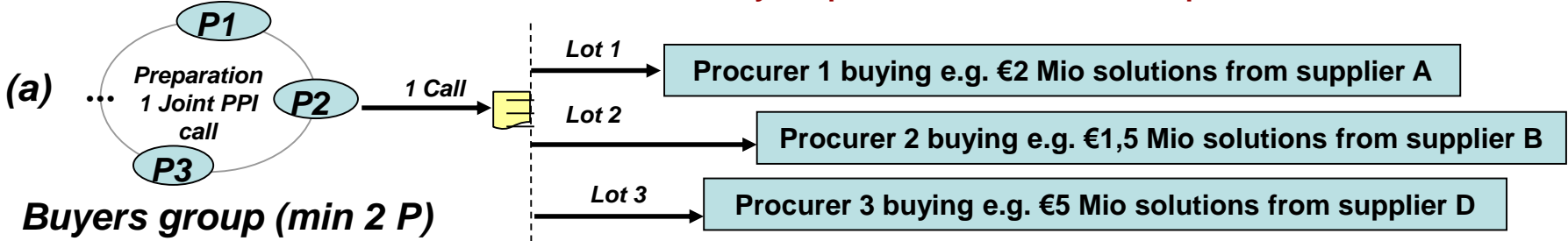
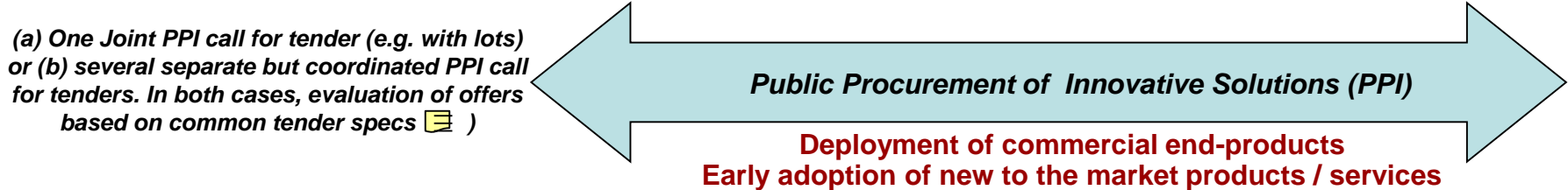


Example: 5 €M PPI action grant

- EU contribution: e.g. 0,2 €M for coordination + 4,8 €M for PPI (procurement of 13,7 €M)
- EU contribution: Max 2,5 €M for coordination + 2,5 €M for PPI (procurement of 7,14 €M)

Example: 2,5 €M PPI action grant

- EU contribution: e.g. 0,2 €M for coordination + 2,3 €M for PPI (procurement of 6,57 €M)
- EU contribution: Max 1,25 €M for coordination+ 1,25 €M for PPI (procurement of 3,57 €M)



Specific requirements PPI procedure (Annex E WP)



- Procedure: Compliance with applicable national procurement rules + compliance with additional specific requirements

- Definition PPI (Horizon 2020 RfP). Choice between procurement procedures covered by procurement directives that do not include procurement of R&D
- EU wide publication of open market consultation, early announcement of target date for launching the PPI open market consultation and call for tender(s)
- PPI call for tender(s) open for at least 60 days
- PPI call for tender(s) open to tenderers from EU Member States and H2020 associated countries + (if applicable) additional countries that ratified WTO GPA
- Possibility of conformance testing before contract award
- Same objective evaluation criteria
- Functional / performance based specifications
- Best value for money award criteria

Unless PPI limited to prototypes,
test-products developed during
pre-ceding PCP action

- IPR arrangements for PPI

- IPRs attached to results generated during PPI shall be owned by the party that generated the results, unless duly justified cases (e.g. party generating results is not able to exploit IPRs)

Other obligations related to implementation of call



- Beneficiaries must ensure wide publication for open market consultation & contract notice, unless for PPI procuring PCP results
 - At least via H2020 sites and NCPs (encourage also via relevant brochures, specialised press, relevant major events, mailing lists relevant industry/research associations etc)
- The beneficiaries must formally notify the Commission:
 - 5 days before publication in OJEU: copy of PIN open market consultation
 - 30 days before publication in OJEU: copy of contract notice & its contents
- Open market consultation to be announced well in advance to market
 - Min 2 months in advance via publication of PIN in OJEU (except for PPIs limited to procuring limited set of prototypes/first test products that are outcomes of PCP actions)
- Joint call for tender shall remain open
 - At least 60 days: for PCP and PPI

Differences PCP/PPI piloting vs Horizon 2020

Lessons Learnt



- ❑ New 2014 public procurement directives will provide now clear legal basis for joint cross-border procurement in all EU countries
- ❑ Flexible implementation of payment of suppliers possible (either all supplier paid by lead procurer or pro rata by each procurer in buyers group)
- ❑ H2020 enables to better leverage out differences in VAT across EU countries
- ❑ H2020 provides template PCP/PPI tender documents
- ❑ Coordination/networking costs not reduced proportionally automatically if final call for tender price lower than expected e.g. cheaper offers received (coordination/networking costs max 30% / 50% of maximum requested grant amount – not actual spent grant amount - for PCP/PPI actions)
- ❑ Sole participants also possible in PCP/PPI actions
- ❑ Synergies between Horizon 2020 and structural funds (ESIF) possible
- ❑ Flexibility to shift budget from networking/coordination to call for tender part of the grant or other way around
- ❑ Increased funding rates (90% for PCP, 35% for PPI)

- ❑ Especially for PPIs also: Choice to implement one joint or several coordinated procurements. Large scale testing is optional i.s.o. mandatory (was considered by some as tough requirement in CIP ehealth PPI pilot call).



- ❑ More info on Innovation Procurement (news, upcoming events and info days, case examples): <http://ec.europa.eu/digital-agenda/en/innovation-procurement>
- ❑ Ongoing PCP/PPI projects in ICT (and other) domains: <https://ec.europa.eu/digital-single-market/en/eu-funded-projects>
- ❑ Overview ppts and FAQs on H2020 funding for innovation procurement: <https://ec.europa.eu/digital-single-market/en/news/calls-eu-funding-opportunities-pre-commercial-procurement-and-public-procurement-innovative>
- ❑ Horizon 2020 online manual about innovation procurement: http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/innovation-procurement_en.htm
- ❑ Info about scope of each call topic, online drafting and submission of proposals on H2020 participants portal (search per topic e.g. ICT-33): http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/search/search_topics.html
- ❑ More detailed info on modalities of PCP/PPI action instrument, evaluation criteria etc in General Annexes to the H2020 Work Program: http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html#h2020-work-programmes-2016-17
- ❑ Finding partners: [EU procurement forum](#), [PCP-PPI LinkedIn group](#)

**Thank you very much
for your attention**

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