

Pre-commercial Procurement (PCP) is a targeted strategy for acquiring R&D services that encompasses competitive development across three distinct phases, sharing risks and benefits under market conditions. It distinctly separates the PCP process from the subsequent deployment of commercial end-products, which may lead to a follow-up **Public Procurement of Innovative Solutions (PPI)**.



Key Features of Pre-Commercial Procurement

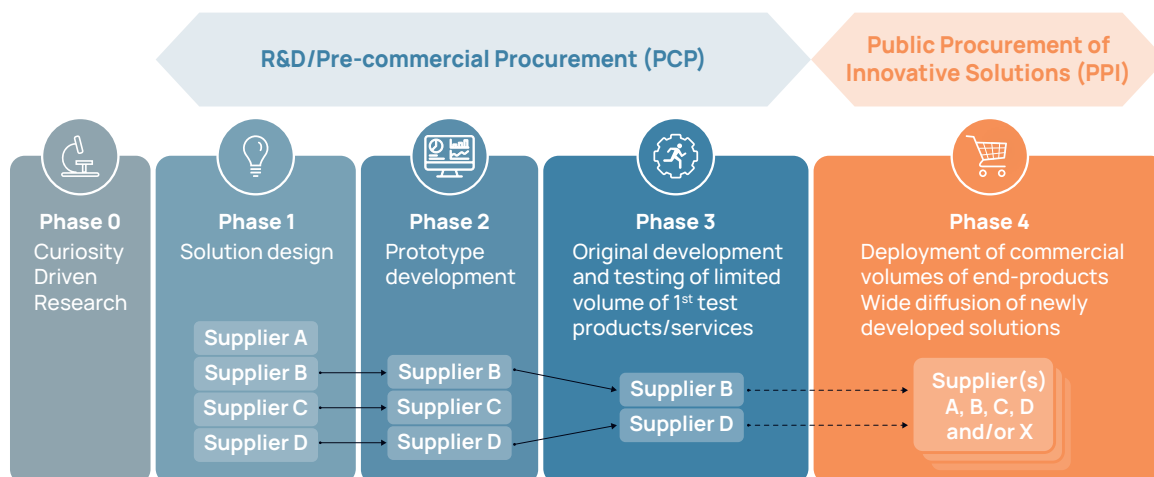
- **Identifying Optimal Solutions:** PCP seeks to determine the best possible solutions available in the market by simultaneously comparing various approaches from different technology vendors. The solutions are developed up to TRL level 7-8.
- **Driving Innovation:** By directing the development of innovative solutions toward specific public sector needs, PCP can inspire the industry to undertake R&D efforts that were previously unconsidered.
- **Active Role of Procurers:** In a PCP, the buyers (or procurers) clearly articulate their requirements for the solution. They position themselves as potential early adopters of the developed solutions.
- **Three Phases:** PCP takes place across three distinct phases - solution design, prototype development, and testing and validation - where the best solution is selected through competition between suppliers.

KEY BENEFITS OF PRE-COMMERCIAL PROCUREMENT

- When no market solutions exist to meet a current or future genuine need, procurers like public authorities can adopt the PCP approach. This allows them to acquire R&D services from **various technology providers who compete** across the three PCP phases.
- PCP is not governed by the EU Public Procurement Directives. This **flexibility enhances competition and reduces risks** for the public buyers.
- The PCP approach **accelerates the time to market** for innovative solutions while creating opportunities for European companies, especially SMEs, to expand into new market segments driven by public demand.
- A PCP can encourage the involvement of international companies by **facilitating collaboration among multiple public organizations** for joint cross-border procurement, leveraging the Horizon Europe Programme.

HOW PCP WISE IS LEVERAGING PCP FOR EUROPEAN WATER INNOVATION

PCP WISE uses the PCP approach to address one overarching challenge, water - both where it is too scarce and where it is too abundant in Europe - through the **exploration of 22 use cases across diverse settings**, including rural and urban areas, as well as fast and slow-onset crises. The goal of PCP WISE is to **tackle largescale issues** with broad European applicability while ensuring scalable, practical solutions that **benefit public buyers** and multiple regions.



Infographic showing the 3 phases of PCP and a potential 4th phase of PPI.

Source: European Commission

