

FACTSHEET

PRE-COMMERCIAL PROCUREMENT

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 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.

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.

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.

