



## Improving SMEs' Access to Cross-Border Public Procurement

@projectSESAM | @SESAM\_EU



# EU funding opportunities for innovative procurement

The potential of innovation demand through innovation-oriented public procurement is very high. In Europe, annual public procurement spending is around 17-19% of GDP (2014).

In 2009, the European Commission launched its first calls for project proposals in the area of public procurement of innovation. The EU calls for proposals are aimed at public institutions and give them an incentive to focus their procurement processes on innovative products and services.

The relevant funding instruments of the EU Commission in this context are part of the Framework Program for Research and Innovation, Horizon 2020. In particular these are the following instruments:

This fact sheet is part of the SESAM project which has received funding from the European Union's COSME Programme (2014-2020).

The content of this fact sheet represents the views of the author only and is his/her sole responsibility; it cannot be considered to reflect the views of the European Commission and/or the Executive Agency for Small and Medium-sized Enterprises or any other body of the European Union. The European Commission and the Agency do not accept any responsibility for use that may be made of the information it contains.

## Guidelines

To support procurers in Horizon-funded PCPs and PPIs, the European Commission has published guidelines for PCP and PPI tender documents. These guidelines also contain templates for the relevant announcements in the EU publications and are published on the [EU Commission's website](#).

Under the title "[Public procurement as a driving force for innovation among SMEs and the civil service](#)", the EU Commission has also published a guide which addresses individual issues in the area of innovative procurement.

The [Guide to Innovation in Public Procurement](#), available in German, also shows how public sector decision-makers can make procurement more innovation-oriented.

## Coordination and Support Actions (CSA)

Primarily, their purpose is to connect European project partners, e.g. through conferences, seminars, studies or joint initiatives. They may also include standardization, dissemination, awareness and communication actions as well as complementary networking and coordination activities between countries. In the context of innovative procurement, consortia of international public procurers join together in the form of network projects, and in this context determine the need for innovative solutions in their field. These projects are supplemented by market research and consultations in order to explore the international state of the art for innovative products or solutions.

In CSAs, the reimbursement rate is up to 100% of eligible costs, while indirect costs are funded with a flat rate of 25%. International consortia of at least 3 independent legal entities from different EU Member States or countries associated to Horizon 2020 are eligible to apply, at least 2 of them have to be independent public procurers.

## Pre-Commercial Procurement (PCP)

If the targeted solution or product is not yet available on the market, a Pre-Commercial Procurement (PCP) project may be a useful opportunity to find a solution for a defined problem. In a PCP project, the international procurer consortium contracts a three-stage research project (feasibility study, prototype development and prototype test), in which companies can provide demand-driven tailored R&D services.

EU funding is up to 90% of the costs of purchasing for the demand-driven development of innovative solutions, and indirect costs are funded with a flat rate of 25%. International consortia of at least 3 independent legal entities from different EU member states or countries associated to Horizon 2020 are eligible to apply, at least 2 of them have to be independent public procurers.

## Purchase of innovative products or solutions (Public Procurement of Innovative Solutions - PPI)

The third funding instrument is the purchase of innovative products and solutions (Public Procurement of Innovative Solutions - PPI). In principle, the public procurer acts as a "first-time buyer" for innovative products and services that are already available as test products or that have been newly launched. The R&D phase of the products must already be completed at this point. The consortium of procurers defines the criteria for the selection process and publicly announces the innovation to be procured.

EU funding amounts to up to 35% of the costs of procuring the innovative solution or products, while indirect costs are funded with a flat rate of 25%. International consortia of at least 3 independent legal entities from different EU member states or countries associated to Horizon 2020 are eligible to apply, at least 2 of them have to be independent public procurers.

## Basics of the funding instruments

In sum, the instruments are targeted at public procurers which join together in transnational networks and form consortia to address particular topics, for example solutions to societal challenges. These consortia designate a coordinator and conclude a [consortium agreement](#) which covers the respective rights and obligations of the individual partners. The consortium concludes a so-called [grant agreement](#) with the European Commission. A [model contract](#) is available.

Applications are submitted via the Horizon 2020 [Participant Portal](#). The individual calls are also published there.

These support instruments will allow public procurers to benefit from the development of innovative solutions with novel features, such as ultra-low-energy fire engines, innovatively linked databases for libraries or intelligent solutions for smart city projects. The topics are advertised in the various Horizon 2020 work programs.

Innovative procurers also have the possibility to network and exchange ideas with other procurers at European level through specialist fora:

European Procurement Forum:

<https://procurement-forum.eu/>

European Innovative Procurement Platform:

<http://www.innovation-procurement.org/>

H2020 funded EU project Procure2Innovate:

[https://cordis.europa.eu/project/rcn/213117\\_en.html](https://cordis.europa.eu/project/rcn/213117_en.html)

Section "Supporting public procurement of innovation" on LinkedIn:

<https://www.linkedin.com/groups/3971446/profile>

Sources and further information:

- [www.koinno-bmwi.de/en/eu-funding/funding-opportunities/](http://www.koinno-bmwi.de/en/eu-funding/funding-opportunities/)
- [www.horizont2020.de/einstieg-public-procurement.htm](http://www.horizont2020.de/einstieg-public-procurement.htm)
- <https://ec.europa.eu/digital-single-market/en/news/calls-eu-funding-opportunities-pre-commercial-procurement-and-public-procurement-innovative>

## Social Networks

Twitter:

[https://twitter.com/sesam\\_eu](https://twitter.com/sesam_eu)

YouTube:

<https://www.youtube.com/user/parggovpl>

Site:

<http://sesamproject.eu>

## SESAM

Initiated in 2017, the project SESAM intends to improve SME's access to Cross-Border Public procurement. This project provides knowledge and support for a successful participation in public procurement within European Union, in particular in Germany, Italy, France and Poland.

The following tools are available for SMEs:

- ◆ Seminars
- ◆ Webinars
- ◆ Training sessions
- ◆ Factsheets and guidelines
- ◆ B2B (business to business) and B2P (business to procurer) events
- ◆ Lists of potential partners/public buyers
- ◆ Advisory service

## Contact

Wolfgang Treinen,  
Berlin Partner for Business and Technology GmbH  
E-Mail: [wolfgang.treinen@berlin-partner.de](mailto:wolfgang.treinen@berlin-partner.de)  
Tel: +49 30 46302-268

Supported by:

