

## What is innovation procurement?

**Public procurement** is the process by which public authorities (such as government departments or local authorities) purchase works, goods or services from companies previously selected via a regulated, competitive and transparent procedure.

**Innovation procurement** happens when public procurers procure the development or deployment of pioneering innovative solutions to address specific mid-to-long term public sector needs.

### Innovation procurement entails:

- the development of innovative solutions through the procurement of research and development (R&D) services
- the procurement of innovative solutions that are not yet available or do not exist on the market
- the procurement of innovative solutions that do exist, but are not yet widely available on the market

This approach has different advantages, for both public, private parties and for the intended users, as it encourages innovation by the private sector and thus supports breakthrough innovation in collaboration with the end users; it facilitates the smoother adoption of innovations and speeds up the creation of customer benefits from innovation; it ensures a risk-benefit sharing under market conditions between public buyers and private parties, which – all in all – leads to using public funds more effectively.

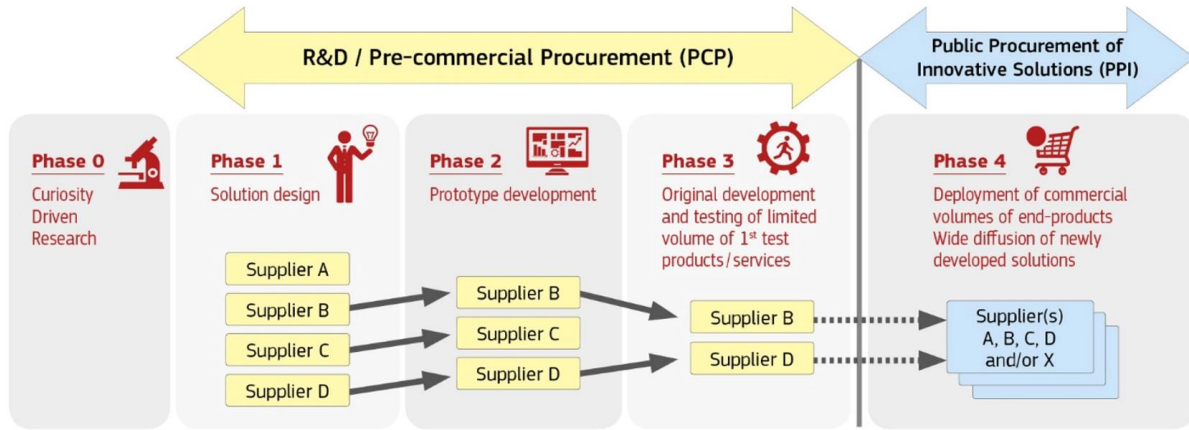
Innovation Procurement has two main modalities: Pre-Commercial Procurement (PCP) or of Public Procurement of Innovative solutions (PPI).

Within a **Pre-Commercial Procurement (PCP)** the public buyer buys the research and development services of products, services or processes, which do not exist on the market yet. The public buyer describes its need, prompting businesses and researchers to develop innovative products, services or processes to meet this need.

In case of **Public Procurement of Innovative solutions (PPI)**, the public buyer, instead of buying off-the-shelf, acts as an early adopter and buys a product, service or process that is new to the market and contains substantially novel characteristics. In this case the public procurer buys the deployment of pioneering innovative solutions.



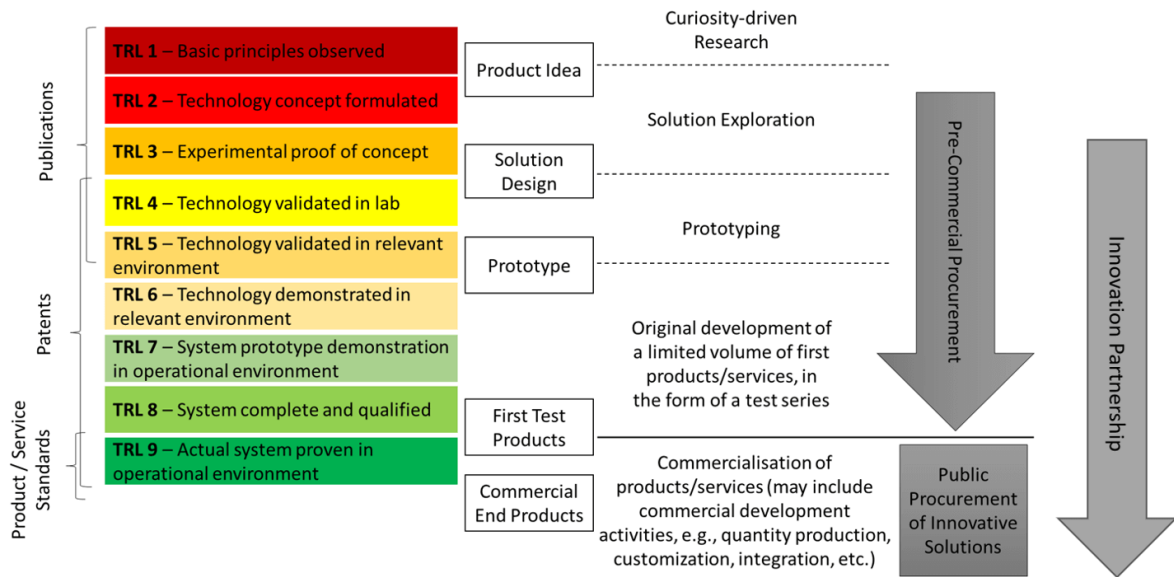
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PCP and PPI. Source: European Commission

Which modality of innovation procurement to use depends on the Technology Readiness level (TRL) of the solution to be developed and/or deployed.

Whether a fitting solution to the need is already on the market and what the related TRL-level is, is determined based upon a State-Of-The-Art Analysis (SOTA), which is performed after the needs assessment.



TRL-levels. Source: EAFIP toolkit

PCP consist of an open and transparent approach to procure R&D services that involves competitive development in phases and risk-benefit sharing under market conditions. And PPI facilitate wide diffusion of innovative solutions on the market.

PROTECT focuses on solutions at TRL5-6.



### More information on innovation procurement

- Visit the website of the **European Assistance for Innovation Procurement (EAFIP)** where a **Toolkit on Innovation Procurement** can be downloaded: [eafip.eu](https://eafip.eu)
- Check out the innovation procurement information pages of the **European Commission**:
  - [https://ec.europa.eu/info/policies/public-procurement/tools-public-buyers/innovation-procurement\\_en](https://ec.europa.eu/info/policies/public-procurement/tools-public-buyers/innovation-procurement_en)
  - [https://single-market-economy.ec.europa.eu/single-market/public-procurement/strategic-procurement/innovation-procurement\\_en#:~:text=Innovation%20procurement%20includes%3A,not%20e](https://single-market-economy.ec.europa.eu/single-market/public-procurement/strategic-procurement/innovation-procurement_en#:~:text=Innovation%20procurement%20includes%3A,not%20e)

