

Policy Brief: Leveraging Pre-Commercial Procurement (PCP) for Sustainable Climate Action Plans (SECAPs)

The PROTECT Project

PROTECT supports urgent action for **climate adaptation, mitigation, and resilience**. It enables public authorities to use state-of-the-art public procurement approaches in order to identify solutions – **Climate Services (CS) based on Earth Observation** – that best fit the specific and systemic needs of the public demand. The focus is on five application domains, namely: Energy & Utilities, Sustainable Urban Communities, Agriculture, Forestry and other Land use, Marine and Coastal Environments and Civil Security and Protection. PROTECT will source and assess existing and high-potential CS solutions and technologies that use Earth Observation data. It will engage with an extensive and varied community of procurers, facilitate the definition and aggregation of their needs and functional requirements for climate services, explaining, fostering and supporting a 'buying with impact' approach. PROTECT will **prepare the operational ground for one or more joint, cross border or coordinated pre-commercial procurement (PCP) processes**. At policy level, it will provide decision-makers for procurement, climate and policy, at EU, national, regional and local levels, with practical recommendations and guidelines to boost the use of innovation procurement for climate action.

Summary

- The ever-changing challenges resulting from an accelerating climate change urges municipalities to adapt faster and further invest into innovative solutions.
- Using pre-commercial procurement as a measure in sustainable energy and climate action plans can help a municipality to streamline their climate change risk and vulnerability assessments and reach higher impacts with their adaptation plans.
- With the procurement of those innovative solutions a municipality can steer development in their area and foster business to invest in R&D useful to the municipalities needs to adapt to climate change
- SECAPS can be a vehicle to introduce the procurement of innovative solutions to the municipalities administration.

Recommendations

- **Political Support through SECAP Development:** Use SECAP development as an opportunity to garner political backing for Pre-commercial procurement (Box 1), particularly when restructuring municipal procurement processes.
- **Align PCP with Long-Term Municipal Strategies:** Harness PCP to fulfil the municipality's long-term objectives, such as monitoring flood-prone areas and combating illegal dumping.
- **Earth Observation and PCP for Risk Assessment:** Employ Earth Observation (Box 3) and PCP to develop tools that assess climate change risks and formulate adaptation strategies, facilitating progress monitoring.

- **Innovative Procurement for Specialized Tools:** Utilize innovative procurement to encourage the development of specialized tools that support the goals set in Risk and Vulnerability Assessments and enhance progress monitoring.
- **Integrated PCP in Planning Phase:** Create an environment where PCP is considered during the planning phase of measures, recognizing its problem-solving potential.

Box 1: Pre-commercial procurement

Pre-commercial Procurement (PCP) is a specific approach to procure R&D services that involves competitive development in phases, risk-benefit sharing under market conditions, and where there is a clear separation between the PCP and the deployment of commercial volumes of end-products (potential follow-up **Public Procurement of Innovative solutions - PPI**). PCP identifies the best possible solutions the market can develop, by comparing alternative solution approaches from different technology vendors in parallel. By steering the development of innovative solutions towards concrete public sector needs, PCP may trigger industry to initiate R&D that was previously unthought-of. In PCP, procurers are thus demanding customers, who are articulating advanced solution requirements as potential future early adopters of the developed solutions (which will be selected in a separate PPI procurement that follows the completion of the PCP).

Introduction

Climate change presents an unprecedented challenge for our society. Although driven by a single cause, greenhouse gas emissions, its consequences are multifaceted and can

feel overwhelming, necessitating rapid adaptation. Government institutions possess a potent tool for addressing these challenges: public procurement, specifically **Pre-Commercial Procurement (PCP) and Innovative Procurement (IP) of Climate Services** (Box 2). In the context of Sustainable Energy and Climate Action Plans (SECAPs), municipalities can leverage innovative procurement to great effect.

Box 2: Climate Services

Climate services describe the transformation of **climate-related data** — together with other relevant information — into customized products such as projections, forecasts, information, trends, economic analysis, assessments (including technology assessment), counselling on best practices, development and evaluation of solutions and any other service in relation to climate that may be of use for the society at large. As such, these services include data, information and knowledge that support adaptation, mitigation, and disaster risk management (DRM).

SECAPs: A Commitment to Act

SECAPs set ambitious targets, including a **55% reduction in greenhouse gas emissions by 2030** and climate neutrality by 2050. They aim to enhance resilience and prepare for climate change impacts while addressing energy poverty as part of a just transition. SECAPs serve as **comprehensive tools for cities and regions to plan, implement, monitor, and evaluate climate and energy policies**, contributing to global mitigation and adaptation goals. Through SECAPs, cities can systematically implement measures, surpass national legislation, and communicate their commitment to stakeholders.

A Vehicle for Innovative Procurement

PCP allows municipalities to procure ground-breaking technologies and services, **fostering collaboration between local authorities and the private sector**. This approach aids climate risk and vulnerability assessments and emissions inventory development, catering to each municipality's unique challenges. Specialized solutions can provide a deeper understanding of emissions sources, particularly challenging ones like swamps or wetlands. Innovative procurement can **enhance existing adaptation strategies and progress monitoring**, such as satellite monitoring systems tailored to local biodiversity.

Municipalities as Climate Leaders

Municipalities championing climate action can utilize SECAP implementation to **gain support for PCP adoption across various administrative functions**. This can lead to a broader recognition of PCP's problem-solving capabilities.

PCP and SECAP: A Synergistic Approach

In summary, PCP offers **proactive solutions**, tailored to each municipality's unique needs, allowing for a quicker response to climate challenges. Despite potential upfront costs, PCP can lead to substantial long-term savings, making it cost-effective. Moreover, it drives innovation and benefits society as a whole.

PCP integrated into SECAPs enhances energy, water, and material savings, reduces pollutants and greenhouse gas emissions, improves public services,

stimulates green innovation, and ensures cost savings over the product life cycle.

Box 3: Earth Observation

Environmental observation involves collecting and monitoring information and data regarding changes and trends in industrial, economic, and global environments. These pieces of data help researchers understand changing environments to inform potential changes in things like climate change policies and disaster relief plans. **Earth Observation (EO)** is defined as the process of acquiring observations of the Earth's surface and atmosphere via remote sensing instruments. The acquired data is usually in the form of digital imagery. EO satellites have been essential to identifying and monitoring climate change and it supports mitigation and adaption measures by providing vast amount of EO data.

Conclusions

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PCP integrated into SECAPs enhances energy, water, and material savings, reduces pollutants and greenhouse gas emissions, improves public services, stimulates green innovation, and ensures cost savings over the product life cycle. Ultimately, **this approach makes innovative solutions more appealing to consumers, fostering a culture of sustainability**.

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