



European  
Commission

# **H2020 SUPPORT / ESIF SUPPORT AND SYNERGIES BETWEEN H2020 AND THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS (ESIF) ON INNOVATION PROCUREMENT**



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# ***Support of Innovation Procurement in the ESIF context***

## Why Innovation Procurement at Regional Level ?

.....it is a win-win situation for

### ✓ **Regions/ Public Authorities**

- *Acquire value for money solutions that realise concrete quality and efficiency improvements to public services in the region*
- *Improve the local innovation ecosystem as stronger local public sector demand for innovative solutions attracts additional financial investments into the region and combats relocation of innovative companies to other parts of the world*
- *Enhance the technical know-how of the Region*

### ✓ **Innovators**

- *Can get first client for new product (lead customer)*
- *Shorten time to the market (because of earlier customer feedback)*
- *Wider commercialization opportunities (because they obtain the IPRs)*

## Cohesion Policy may support measures in the framework of the Operational Programs to:

➤ **Foster innovation through public procurement**

*TO 1 Strengthening research, technological development and innovation*

**Target group: public sector**

➤ **Foster better meeting of public needs**

*TO 1 enhancing research and innovation (R&I) infrastructure*

*TO 2 strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health*

*TO 4 supporting the shift toward a low-carbon economy in all sectors*

*TO 5 promoting climate change adaptation, risk prevention and management*

*TO 6 preserving and protecting the environment and promoting resource efficiency*

*TO 7 promoting sustainable transport and removing bottlenecks in key network infrastructures*

**Target group: town planners, transport, environment, health etc. ministries – ERDF, Cohesion Fund**

➤ **Foster more innovative public procurement procedures and administrative capacities**

*TO 11 Enhancing institutional capacity and an efficient public administration*

*TO 2 strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health*

**Target group: procurement officers**

# INNOVATION PROCUREMENT IN THE FRAMEWORK OF THE OPs

## *OPERATIONAL PROGRAMME*

**PCP/PPI UNDER A SPECIFIC THEMATIC  
OBJECTIVE.  
BUDGET ALLOCATION FOR SPECIFIC  
CALLS FOR PROPOSALS BY THE MAs  
ON PCP/PPI**

Specific calls on PCP/PPI are launched with reference to related priority axis of each respective Regional Operational Program

**HORIZONTAL PRESENCE - AFFECT ALL  
THEMATIC OBJECTIVES/INVESTMENT  
PRIORITIES.  
NO SPECIFIC CALLS FOR PROPOSALS  
BY THE MAs ON PCP/PPI.**

PCPs/PPIs are implemented as projects in the context of relevant calls for proposals launched by the MA of each respective OP

# Measuring progress on PCP/PPI in ESIF

## Possible Output Indicators



UNIT	NAME	DEFINITION/COMMENTS
EUR	Investment -Procurement budget that was spent on Pre-Commercial Procurement	Total value of the procurement budget that was spent by the public procurers to buy R&D services through Pre-Commercial Procurement (PCP) aiming at tackling concrete public challenges and modernizing the public services.

UNIT	NAME	DEFINITION/COMMENTS
	Number of Pre-Commercial Procurements	Total number of completed Pre-Commercial Procurements

UNIT	NAME	DEFINITION/COMMENTS
EUR	Investment -Procurement budget that was spent on Public Procurement of Innovative Solutions	Total value of the procurement budget that was spent by the public procurers to buy innovative solutions through Public Procurement of Innovative Solutions (PPI) aiming at tackling concrete public challenges and modernizing the public services.

UNIT	NAME	DEFINITION/COMMENTS
	Number of Public Procurements of Innovative Solution	Total number of completed Public Procurements of Innovative Solutions

**PCP**

**PPI**

## ESIF may also support:

- **Major projects / Joint Action Plans** in cooperation with other Regions and key players in the Cohesion Policy
  
- **Coordination, Networking and Preparation activities for the implementation of a PCP and/or PPI**  
through European Territorial Cooperation Programs (ETC)



***Possible Synergies  
between  
the ESIF and H2020 on  
Innovation Procurement***



## SYNERGIES BETWEEN H2020 AND ESIF ON PCP/PPI WHY?

### ***BECAUSE:***

- ❖ The value of support for research, development and innovation could be further enhanced by combining funding resources (increase of effects at regional level)
- ❖ Procurers could **choose** higher **ESIF funding** rates **instead of H2020 funding** rates' whilst participating to H2020 funded PCP/PPIs.
- ❖ Better communication between "regional development community" and "Horizon-Science community"
- ❖ A regional development scheme through the participation in a H2020 project acquires a European perspective

# CONDITIONS FOR SUCCESS

- Include support to demand driven innovation / innovation procurement references into OPs in every relevant thematic objective.
- Ensure support of public demand driven innovation / innovation procurement in the framework of the European Territorial Cooperation Programs.
- Involve MA from the beginning to ensure availability of ESIF budget & synchronisation.

## GENERAL RULE

### **IT IS NOT ALLOWED !!!!!**

- To use ESIF and H2020 funding accumulatively to finance the same cost/expenditure item
- To finance the own contribution of the participant from H2020 or ESIF

## Possible scenario on the execution of a PCP

- In the framework of PCP action calls, some participants of the consortium of the buyers group may receive funding from the ESIF and others from H2020.
- This case is applicable only if there is a clear distinction between budgets offered per OP and between expenditures funded by the ESIF (per OP) vs expenditures funded by H2020.  
*Example - each R&D provider is paid pro rata by each procurer in the buyers group according to the share of each procurer's contribution to the jointly committed budget.*
- To achieve innovation goals in their territory by using ESI Funds procurers from less developed Regions could receive higher funding rates to participate in a PCP/PPI implemented in the framework of H2020 by/with procurers from more advanced Regions.

**Condition for success : synchronization between the ESIF calls and the H2020 action calls**

## Possible Scenario on PPI

### Applicable Scenario in cases:

- *under a joint Framework Contract/Agreement which provides the joint technical specifications separate contracts are implemented and awarded by the procurers according to their national law for the purchase of the innovative solutions.*

Or

- *the lead procurer launches one procurement procedure awards all the contracts but the invoices are paid by every individual procurer.*

Or

- *Under a joint Framework Contract/ Agreement that sets out the common functional specifications separate contracts for different lots are implemented and awarded by the procurers according to their national law for the purchase of the innovative solutions.*

# SEQUENTIAL FUNDING

**Separate successive and legally/financially not linked projects with alternating H2020 or ESIF support –**

**- First PCP and then PPI –**

Sequential funding can go in both directions:  
First ESIF and then H2020 or vice versa.

***First PCP (ESIF) to develop and test the innovative solution and then PPI (H2020) for the deployment of the innovative solutions developed and tested through PCP and vice versa (H2020 for PCP and ESIF for PPI)***

## **Example:**

**A group of Public Procurers from different cities are looking for a new sustainable public water supply system. It requires R&D. At first they implement a PCP (Phases 1,2,3) with the support of H2020 and different solutions are developed and tested.**

**Thereafter they implement a PPI with the support of ESIF/ERDF to fund the preparation of the call for tender and the purchase of these new solutions (each MA for the territory covered by its OP).**

## **ADDITIONAL/PARALLEL USE OF FUNDS**

**ESIF money is not linked to a H2020 project (PCP/PPI), but a regional/national authority decides to fund a regional/national project or beneficiaries to enhance the H2020 project or programme in its region.**

This may be particularly relevant to skills development or capacity building in innovation and cooperation

### ***Example***

Skills enhancement of the public procurer focused on the use of the innovative product that is purchased in the framework of a PPI that is funded by H2020



*For the synergies between the H2020 and the ESIF  
please visit:*

**[http://ec.europa.eu/regional\\_policy/sources/docgener/guides/synergy/synergies\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf)**



**Thank you very much for your  
attention**



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