



## Pre-Operational Validation (POV)

Examples of Public Procurement of R&D services  
within EU funded Security Research actions

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## Pre-commercial Procurement: Driving innovation to ensure sustainable high quality public services in Europe

COM(2007) 799 final

*"... As there is still little experience in the EU with pre-commercial procurement, the Commission is interested in exploring the extent to which pre-commercial procurement could indeed contribute to more R&D and innovation in the EU and, hence, bring tangible benefits to society and economy..."*

*".... some of the required improvements are technologically demanding and no commercially stable solution exists yet on the market, or existing solutions exhibit shortcomings which require new R&D. By developing forward looking procurement strategies that include R&D procurement to develop new solutions that address these challenges, the public sector can have a significant impact on the mid to long term efficiency and effectiveness of public services as well as on the innovation performance and the competitiveness of European industry.... "*



## Why

- Public sector to play role in stimulating growth and jobs via the **use of public procurement of innovation** (in the past years many Member States have been adopting appropriate policy actions / legislation).

## When

Challenge requires R&D to get **new** solutions **developed**. Problem identified, but pros / cons of potential competing solutions to be assessed.

## How

Public sector buys R&D (services) from suppliers in parallel (comparing alternative solution approaches), in form of competition, evaluating progress after critical milestones (design, prototyping, test phase), sharing risks & benefits of R&D (e.g. IPRs) with the suppliers.

PCP to steer the development of solutions towards concrete public sector needs, whilst comparing/validating alternative solution approaches

- No commitment to deploy.
- Alternative solutions to avoid supplier lock-in
- Risks & benefits of R&D (e.g. IPRs) shared with suppliers

R&D / Pre-commercial Procurement (PCP)

**Phase 0**

Curiosity  
Driven  
Research



**Phase 1**

Solution design



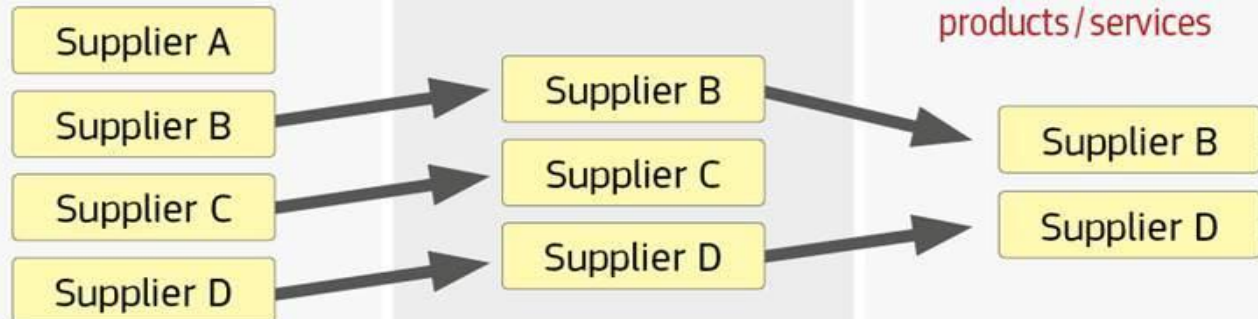
**Phase 2**

Prototype development



**Phase 3**

Original development  
and testing of limited  
volume of 1<sup>st</sup> test  
products/services





*Pre-Commercial Procurement (PCP) did not exist as a "recognized" instrument in FP7.*

*Following the adoption of COM(2007) 799 the Commission DG INFSO (now CNECT) started exploring (around 2009) possibilities of PCPs*

*On 15 February 2011 the Programme Committee (PC) for Security Research decided not to foresee PCP in the implementation of FP7 Security Research Theme, because of "sensitivity" . It decided to postpone the matter to FP8 (Horizon 2020).*

*At the same time the Commission proposed Pre-Operational Validation (POV) as an "ad - hoc" set-up appropriate for the Security Research Theme (because of its mission driven nature).*

**POV is not PCP.** *POV is to provide an instrument for "validation" (as requested by industry) by the public sector (in an area of EU political relevance – such as Border Security – priority 3 of Security Research).*

**In POV there is no R&D development in phases.**

**PCP** *is now an established tool in portfolio of instruments for Horizon 2020.*

**POV** *could well be presented in Horizon 2020 as an Innovation Action (IA), if the topic were to be properly described in the work programme.*



*REGULATION (EC) No 1906/**2006** (18 December 2006) laying down the rules for the participation in actions under the Seventh Framework Programme*

*<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:391:0001:0018:EN:PDF>*

## **Cooperative project (CP)** (Art. 6)

*1. The minimum conditions for indirect actions shall be the following:*

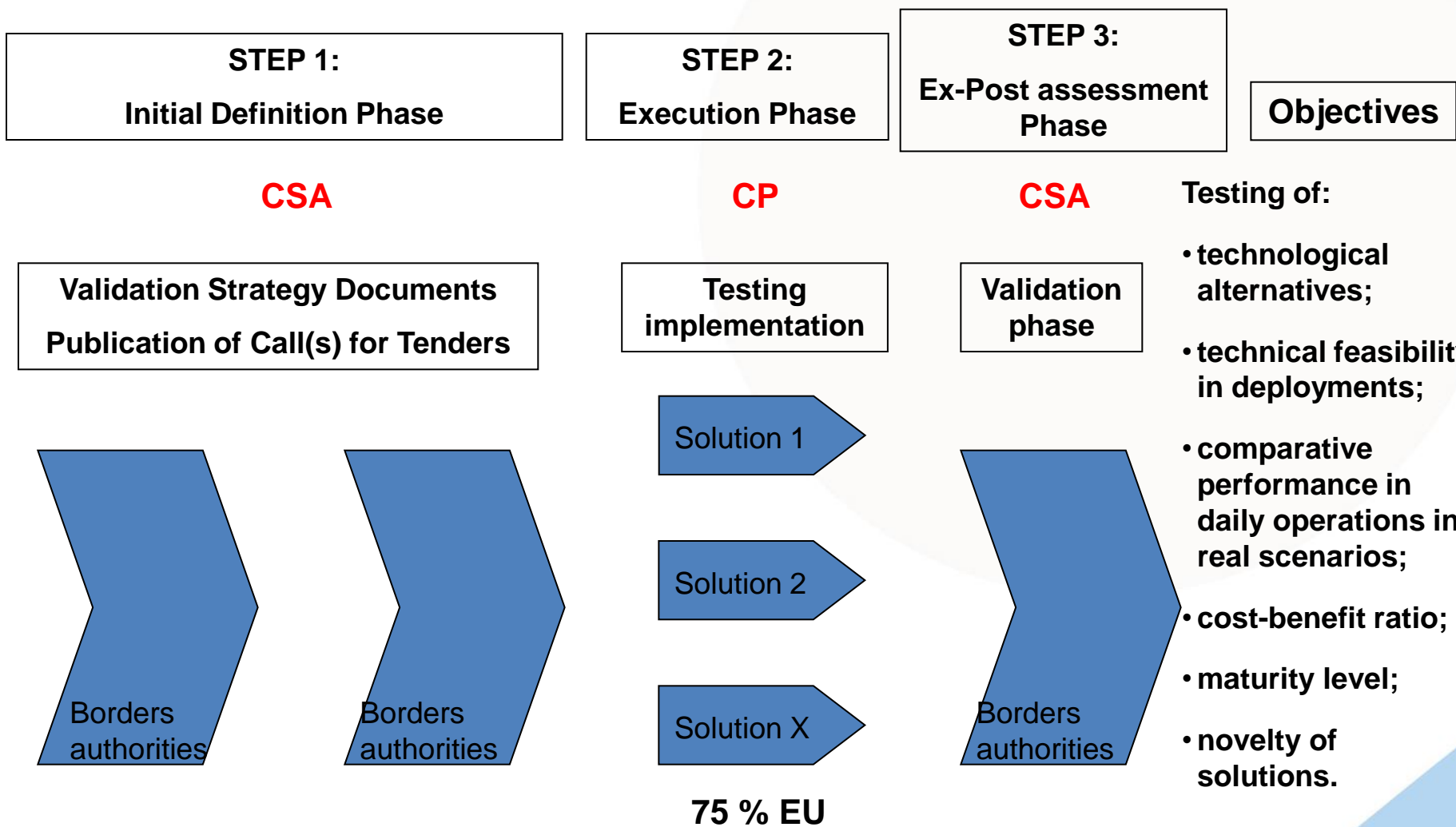
*(a) at least three legal entities must participate, each of which must be established in a Member State or associated country.*

*(b) all three legal entities must be independent of each other.*

## **Coordination and support actions, and training and career development of researchers (CSA)** (Art. 8)

*For coordination and support actions, and actions the minimum condition shall be the participation of one legal entity.... this first paragraph shall not apply in the case of actions whose purpose is to coordinate research activities.*

# POV - Implementation modality



100% EU

100% EU

100% EU

Funding rate



European Commission  
Enterprise and Industry

**Art. 33.1** Concerning the collaborative project funding scheme in the Security theme, the Community funding may reach a maximum of 75% in cases with limited market size and for accelerated equipment development in response to new threats.

## 3 Examples of POVs

*CLOSEYE* [www.closeye.eu](http://www.closeye.eu)

*EWISA* [www.ewisa-project.eu](http://www.ewisa-project.eu)

*EUCISE 2000* <http://www.eucise2020.eu/>



# EUROPEAN BORDER AND COAST GUARD

**European Border and Coast Guard Agency ('Agency')**

**Member States' border & coast guard authorities\***

**Shared responsibility**

# European Integrated Border Management





EU Council (e.g. conclusions on *strengthening the internal security authorities' involvement in security-related research and industrial policy (9814/13)*) recognizes importance of using modern and adequate technologies in the field of internal security,

*"which necessitates **an increased involvement of internal security authorities in research** and a proactive involvement with suppliers of modern security technologies".*



## **Security Authorities realise that demand based R&D approach can bring them benefits.**

However:

**Big effort** (both by EC and participants) needed to mobilise demand side constituency. Much more for a PCP - POV project than for a collaborative R&D project.

For authorities to be motivated support is needed at national level.

Encouraging a consortium of Member States to jointly approach the supply side (and take joint liability for R&D investments) requires much more commitment than encouraging "*typical*" participants in FP7 to file a grant application to recuperate a percentage of costs of their R&D.

Economic crisis made it more difficult to leverage additional resources.