D. Types of action: specific provisions and funding rates

Pre-Commercial Procurement (PCP) actions

**Description:** PCP actions aim to encourage public procurement of research, development and validation of new solutions that can bring significant quality and efficiency improvements in areas of public interest, whilst opening market opportunities for industry and researchers active in Europe. It provides EU funding for a group of procurers (‘buyers group’) to undertake together one joint PCP procurement, so that there is one joint call for tender, one joint evaluation of offers, and a lead procurer awarding the R&D service contracts in the name and on behalf of the buyers group. Each procurer in the buyers group contributes its individual financial contribution to the total budget necessary to jointly finance the PCP, enabling the procurers to share the costs of procuring R&D services from a number of providers and comparing together the merits of alternative solutions paths from a number of competing providers to address the common challenge. The PCP must address one concrete procurement need that is identified as a common challenge in the innovation plans of the procurers in the buyers group that requires new R&D and is described in the common specifications of the joint PCP call for tender.

**Eligible participants:** The buyers group must contain minimum two legal entities which are public procurers that are established in two different Member States or associated countries. Both legal entities must be independent of each other.

The procurers in the buyers group must be responsible for the acquisition and/or regulatory strategy for the targeted innovative solutions and aim to obtain ambitious quality and efficiency improvements in the area of public interest addressed by the PCP, or be entities with a mandate from one or more of such procurers to act on their behalf in the procurement (e.g. central purchasing bodies).

Other entities (e.g. end-users, certification bodies, private/NGO procurers that provide services of public interest and share the same procurement need) whose participation is well justified may participate in additional activities that clearly add value to the action and support the preparation and execution of the PCP or embed the PCP into a wider set of demand side activities.

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1 Eligible costs for all types of action are in accordance with the Financial Regulation No 966/2012 and the Horizon 2020 Rules for Participation Regulation No 1290/2013. In addition, as training researchers on gender issues serves the policy objectives of Horizon 2020 and is necessary for the implementation of R&I actions, applicants may include in their proposal such activity and the following corresponding estimated costs that may be eligible for EU funding:
   (a) Costs of delivering the training (personnel costs if the trainers are employees of the beneficiary or subcontracting if the training is outsourced);
   (b) Accessory direct costs such as travel and subsistence costs, if the training is delivered outside the beneficiary's premises;
   (c) Remuneration costs for the researchers attending the training, in proportion to the actual hours spent on the training (as personnel costs).

2 Participants may ask for a lower rate.

3 The lead procurer is a public procurer and is the beneficiary appointed by the buyers group to coordinate and lead the procurement. It can be either one of the procurers in the buyers group or another beneficiary in the action that is established or designated by the procurers in the buyer group to act as lead procurer.

4 A PCP that addresses a challenge that consists of several facets (sub-challenges or building blocks) is considered one joint PCP procurement as long as all procurers in the buyers group share the need for - and are willing to co-finance - all the facets of the common challenge.
‘Sole participants’\(^5\) must indicate which of its ‘members’ are the procurers contributing to the budget of the proposed joint procurement that satisfy the participation requirements and which are the respective procurement budgets of each of these members that are at the disposal for carrying out the procurement. A sole participant acting as buyers group must have a mandate based on a well-defined procurement need and budget from its procurers to act on their behalf.

**Funded activities:** Preparation and implementation of the joint PCP (as described in General Annex E). Eligible costs include the price of the R&D services procured via the joint PCP and the costs of the eligible coordination and networking activities and may include in-kind contributions of third parties linked to grant beneficiaries.

**Funding rate:** The EU contribution will be governed by the Rules for Participation, unless otherwise specified in the relevant call conditions.

The eligible costs of coordination and networking activities may not exceed 30% of the total estimated eligible costs set up in the budget of the action at the signature of the grant agreement.

Indirect eligible costs are calculated as a flat rate of 25% of direct eligible costs, excluding direct eligible costs for subcontracting (e.g. the price of the PCP procurement) and costs of resources made available by third parties which are not used on the premises of the beneficiary (e.g. test equipment).

\(^5\) See Article 199 of the Financial Regulation No 966/2012.