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## From EC Grant to EC Procurement: Opportunities & Challenges

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- What is public procurement
- Why we are focusing on this now
- EC Grants vs EC Procurement
- Current areas of investigations and initial insights

Public procurement: the process by which *public authorities*, purchase works, goods or services from the market.

- European Public Procurement Framework: EU Directives setting minimum harmonised public procurement rules to create a level playing field for all businesses across Europe (e.g. [Directive 2014/24/EU](#))
- They are transposed into national legislation and apply to tenders whose monetary value exceeds a certain amount
- Every year, over 250 000 public authorities in the EU spend around 14% of GDP (around €2 trillion per year) on the purchase of services, works and supplies

Note: Procurement from EU Institutions follows a different set of rules: [Financial Regulation of the EU](#)

01

**Buyer/Procurer**

- The contracting authority (the public entity that wishes to acquire goods or services)

02

**Seller/Bidder**

- The organisation or consortium competing to provide the required services or goods

03

**Expert**

- The person or organisation that provides technical expert advice, e.g.: in drafting technical specifications or bid evaluation

# Planned shift of funding model for the EOSC Core (and part of the EOSC Exchange)

2018-2021:

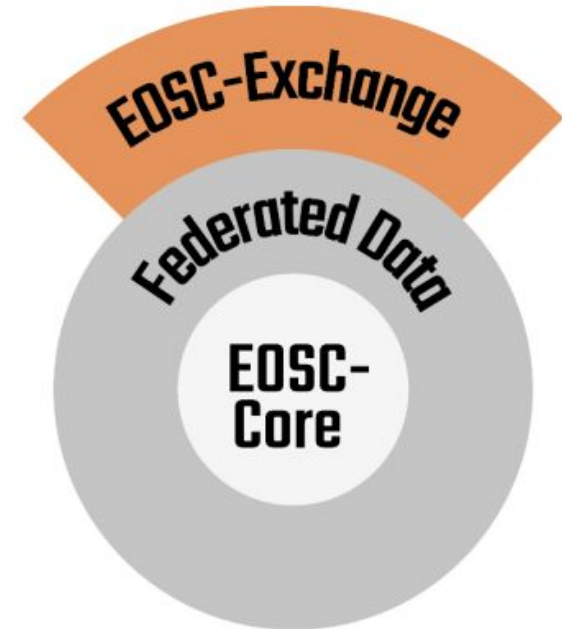
- EC Grant (EOSC-hub)

2021-2023:

- EC Grant (EOSC-Future, EGI-ACE, ...)

2023-2025:

- EC Procurement (to be published in Q3/2022)
- [See page 122 of HE WP 2021-2022 for Research Infrastructures](#)



Source: [EOSC SRIA](#)

# EC Grant vs. EC Procurement

	Grant	Procurement
Procedure	Grant applications in response to a ' <b>call for proposals</b> '	Usually open competition: tenders are submitted in response to a ' <b>call for tenders</b> '
Legal instrument	The outcome of a grant award procedure takes usually the form of a <b>grant agreement</b>	The outcome of a procurement procedure is a <b>commercial contract</b>
Mutual obligations	<b>No direct reciprocal obligations.</b> The Commission has the right to monitor technical implementation of the action and the use made of the funds granted	Impose <b>reciprocal obligations</b> on both sides. The Commission monitors the delivery of the purchase
Profit	The grant must <b>not</b> have the purpose or effect of producing a <b>profit</b> for the beneficiary	The contractor's remuneration includes a margin of <b>profit</b>
Ownership (e.g., IPR)	Usually remains with the <b>beneficiary</b>	Usually remains with the <b>contracting authority</b> (note: approach changing, see next slide)
Contribution	The grant may not finance the total cost of the action; only <b>eligible costs</b> are financed	The Commission pays 100% of the <b>contract price</b>

- Several organisations part of the EGI Federation are involved in delivering services for both the EOSC Core and EOSC Exchange
- What is the potential impact of this shift?

- EGI Foundation (nonprofit organisation under the Dutch law)
  - Impact on participating in commercial activities
  - Requirements to act as lead tenderer on behalf of the EGI Federation
- EGI Participants
  - Past experience
  - Ability to bid
  - Constraints (e.g. state-aid, internal policies, volume cap)
- EGI Federation
  - Possible configurations
  - Internal legal framework
  - Risk assessment
  - Strategic alignment





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## Thank you



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