

ECOVATION 2018  
Tuesday, 27th November 2018  
09:40 – 11:10  
Room: Briefing Room 4

## Successfully promoting innovation in public procurement



# MUTUAL LEARNING ON INNOVATION PROCUREMENT: DOES POLICY SUPPORT MAKE A DIFFERENCE?

Which policy instruments exist in innovation procurement? From regulations over services to financing? What are the experiences in using these instruments? The participants learn about different national and European tools and good practices and ex-change their experiences.



HOSTED BY:  
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### Part I

- Horizon 2020 Policy Support Facility **by Marta Truco** (EC DG RDT)
- Mutual Learning Exercise (MLE) on Innovation Procurement & Panel discussion
- **Berg, Kjersti K.** (DIFI/NO) Innovation Partnerships (Norwegian experiences)
- **Müngersdorff, Anne** (ZENIT/DE) Innovation Procurement (local, regional & global perspective)
- **Stankeviciute, Sigute** (MITA/LT) PCPs & EU Structural Funds (Lithuanian experiences)
- Q&A

### Part II

- Commission perspective on Innovation Procurement (DG GROW's policies for strategic public procurement, including partnerships with big public buyers and networks, innovation procurement guidance and related pilots) **by Matija Matokovic** (EC DG GROW)
- Regional perspective on Innovation Procurement (Upper Austrian fostering of innovation through public procurement) **by Hannes Pöcklhofer**
- Q&A

### Part III

- General discussion & participant experience exchange



### DO YOU WANT TO KNOW MORE?

Please use the QR-Code to get further information about the speakers and panel participants. You can also follow this link:  
[www.ait.ac.at/en/innovation-procurement](http://www.ait.ac.at/en/innovation-procurement)



# MUTUAL LEARNING EXERCISE MLE ON INNOVATION-RELATED PROCUREMENT - FINAL REPORT:



**Prepared by an independent panel of experts:**

Charles Edquist (Chair)

Jon Mikel Zabala-Iturriagagoitia (Rapporteur)

Eva Buchinger

Gaynor Whyles

## RECOMMENDATIONS

### **Policymakers should:**

- Identify societal needs and problems: these can more easily be recognised as a legitimate target for innovation-related public procurement.
- Provide funding programmes in order to broaden the uptake of innovation procurement. Design these programmes to be multi-annual, possibly complementary and flexible to fit in with the real procurement needs of procuring organisations.
- Develop and maintain competence (service) centres, innovation agencies and other support organisations: supportive framework conditions start with a well-working innovation procurement infrastructure providing the required capabilities and capacities.
- Procuring entities should:
- Envisage broad and early market consultations: these are fundamental to familiarise potential suppliers with the problem/need to be addressed, further contribute to its comprehensive definition, and to be prepared for the calls.
- Provide room for innovation considering the use of functional specifications.
- Be strategic with respect to clients and other stakeholders (internal or external) who can stimulate the rolling out of innovation-related procurement.
- All stakeholders should:
- Align finance and capacity-building needs with respective complementing policies.
- Take advantage of good practice examples and envisage evaluation of your activities as a learning tool.

## INNOVATION PARTNERSHIPS – EXPERIENCES FROM NORWAY

Total government expenditure (2017) accounts for app. € 55 billion in Norway and the Government stresses the use of public procurement as a driver to transform public sector and boost public sector innovation.

The procurement procedure innovation partnership was introduced in Norway's national legislation in January 2017. Since then, 8-10 innovation partnership projects are started.



Preparing for an innovation partnership- suppliers and procurer in dialogue

The projects aim to develop new solutions to meet challenges in the areas of health, child welfare services, building and construction management and maintenance, infrastructure, and urban development. Contracting authorities (CA) at municipal, county council and central level are trying out this new procedure.

Through Innovation Norway (Norway's innovation instrument for businesses) financing is available for the CA to cover costs of the development phase. In addition, the projects are offered legal assistance and support to innovation processes.

The Agency for Public Management and eGovernment has developed guidance and follow the projects closely to gain insight and experience.

It is a learning process for all stakeholders involved. Ms. Berg will share some of the main experiences from the Norwegian projects so far.

### Contact:

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Agency for Public Management and eGovernment



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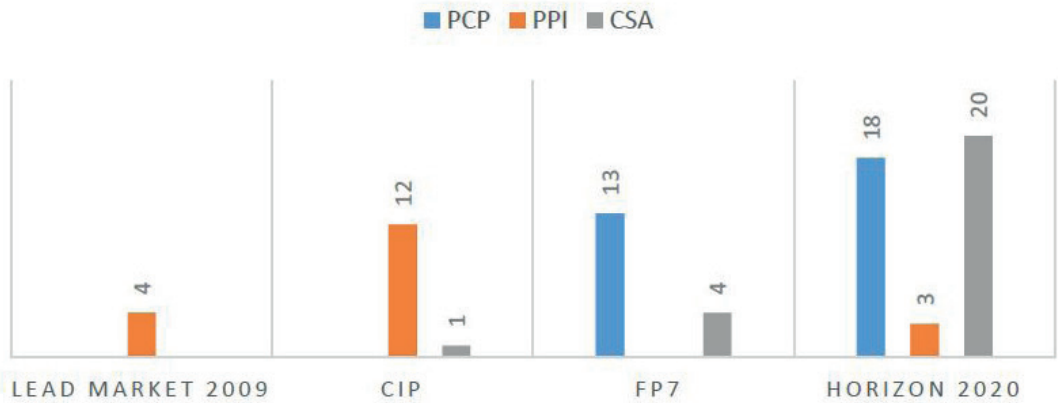
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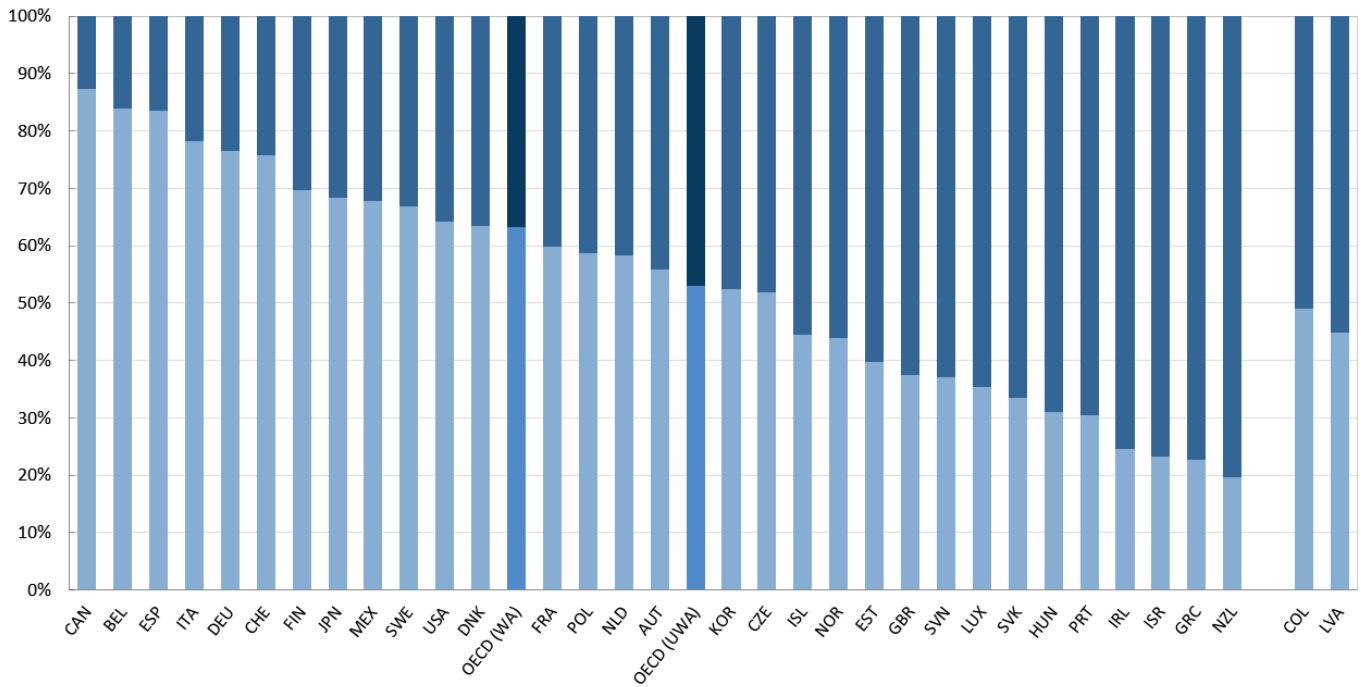
**Projects funded by EU programmes and funding instruments 2009-2017**

Source: CORDIS  
European Commission



**WHAT ARE SPECIFIC LEARNINGS?**

- Performance of good practices on all levels by different institutions
- Fragmentation of public demand on local, regional and national level; lack of capacity building
- Cooperation between governments and agencies needs to be better coordinated



Source: OECD Government at a Glance 2015 - Size of Public Procurement - National Accounts Statistics. Share of general government procurement by level of government



Commission notice  
Guidance on Innovation Procurement  
Brussels, 15.5.2018

Public procurement rules are no longer only concerned with “how to buy” – they provide scope for incentives on “what to buy”, without prescribing them. The objective of spending tax-payers’ money well is gaining new dimensions, beyond merely satisfying the primary needs of public entities. With each public purchase, the public opinion is rightly interested to know whether the procured solution is not only formally compliant, but also whether it brings the best added value in terms of quality, cost-efficiency, environmental and social impact and whether it brings opportunities for the suppliers’ market.

Innovation procurement addresses all of the above concerns. It opens the door to higher quality and more efficient solutions that value environmental and social benefits, better cost-effectiveness; and new business opportunities for enterprises.

**THIS GUIDANCE IS DESIGNED AS FOLLOWS:**

- Chapter 1 clarifies the innovation procurement concept, its overarching dimension and added value.
- Chapter 2 outlines the policy framework that is necessary to make strategic use of innovation procurement.
- Chapter 3 illustrates how to open the doors of public procurement to innovators, including start-ups and innovative SMEs.
- Chapter 4 describes how to put public procurement procedures at work to modernize public services with innovative solutions and to create growth and jobs.

# Innovation Procurement Brokers

## Bringing public buyers and suppliers of innovation together

### WHY



Innovation Procurement Brokerage can provide opportunities for SMEs with solutions to public authority needs to bid for tenders

### WHAT



Testing Innovation Procurement Brokerage approaches at regional and European level



Supporting and carrying out assessment of public authority needs



Engaging with start-ups and SMEs across Europe to find innovative solutions to needs

### WHO

- Public buyers
- SMEs and start-ups
- Organisations supporting innovation procurement

### WHERE



Regional Innobroker pilots  
+  
A European level innovation procurement brokerage scale-up

### WHEN

August 2018

Planning and setting up regional InnoBroker pilots

Needs assessment and training activities

Analyse and engage with market for innovative solutions

Scaling up innobrokers pilots to European level

Case studies and models for brokerage based on pilots

August 2020

### OBJECTIVES

- Develop and implement an InnoBroker business model
- Create procurement opportunities for 20 SMEs and/or start ups

### PLANNED OUTCOMES

- 20 public buyers engaged with the network
- 40 suppliers engaged with the network
- 5 needs assessment workshops
- 5 market engage events
- Form and disseminate the Innovation Procurement Broker business model

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