

**Western Balkans Research and Innovation Meeting  
Podgorica, Montenegro  
12-13 June 2017**

**Strategic use of Public Procurement**

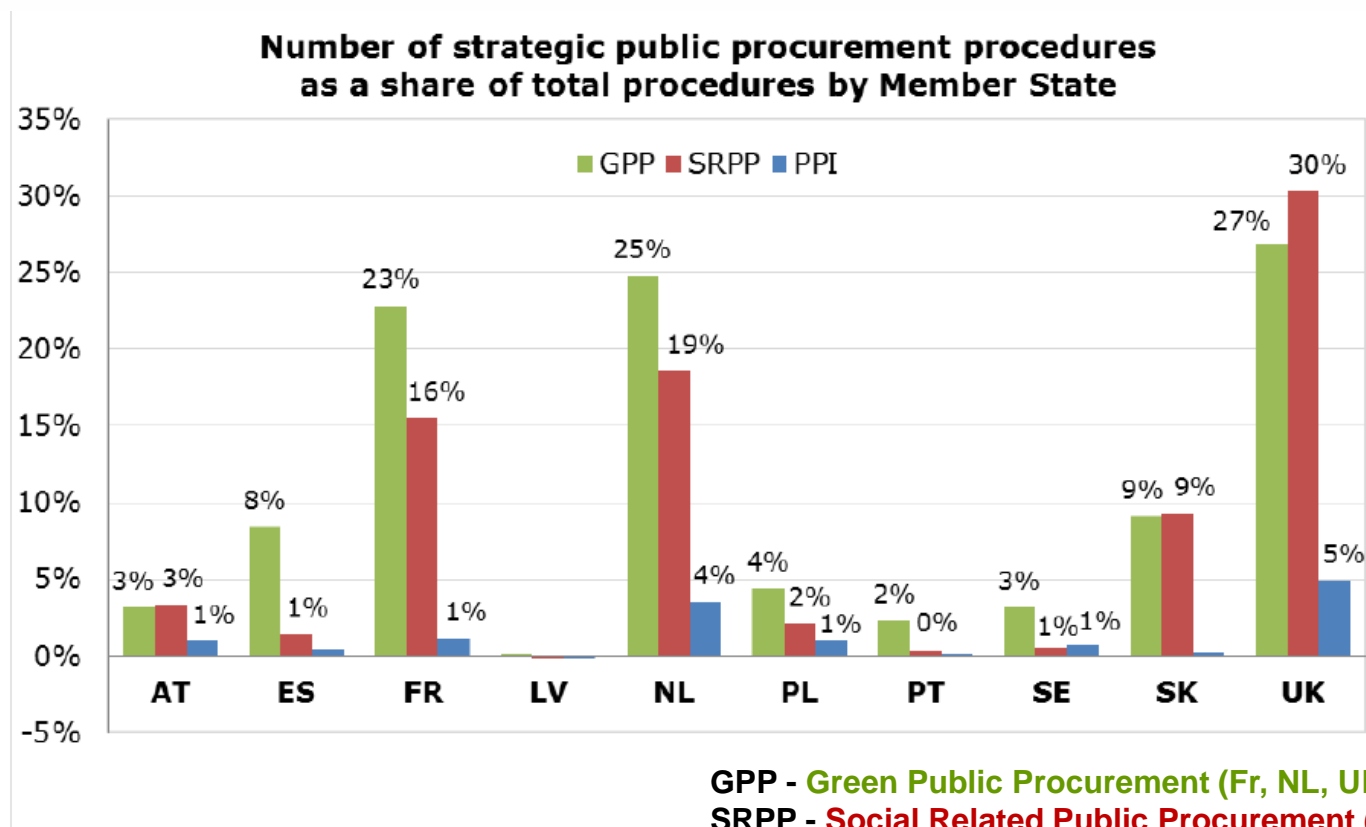
Anne Müngersdorff, ZENIT GmbH

# Strategic use of Public Procurement

## Potential for Innovation through Public Procurement

- **Big volume:**  
Over 250,000 public authorities in the EU spend around 14% of GDP on the purchase of services, works and supplies.
- **Policy lever:**  
Public Procurement is recognized as a strategic instrument for achieving policy objectives such as sustainable growth, support of small and medium-sized enterprises (SMEs) or innovation.
- **Challenges for national, regional and local authorities:**  
Using Public Procurement strategically for innovation requires capabilities; 70% to 80% of public investments in Europe are made by local and regional authorities.

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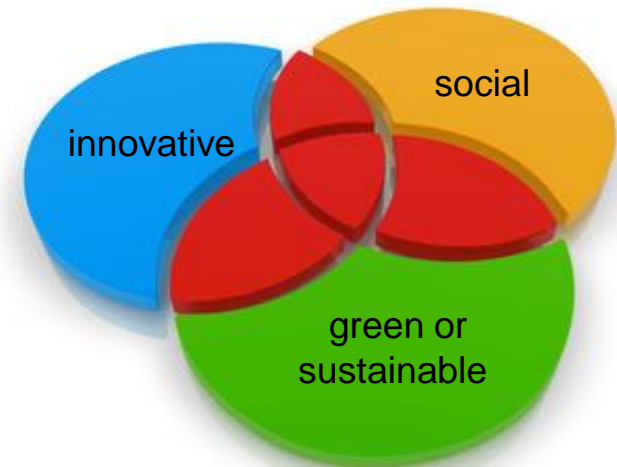


Source: Analysis of 2013 TED data.  
European Commission: DG GROW Study 2015

# Strategic use of Public Procurement

## Modernising Public Procurement - General Aspects

- innovation fostering instruments
- simpler and more flexible procedures
- better access for SMEs
- cross-border joint public procurement
- cross-cutting issues
- innovation agencies, buyers groups
- role of Central Purchasing Bodies
- electronic means, digitalisation of the complete procurement process
- sound procurement cycle (needs assessment, market dialogue, tender specifications, contract management, reviews, measurement)



# Strategic use of Public Procurement

## Modernising Public Procurement in the EU

New Directives 2014/23/EU, **2014/24/EU**, **2014/25/EU** replaced Directives 2004/18/EG, 2004/17/EG

- objectives of the Europe 2020 Strategy for smart, sustainable and inclusive growth
- best strategic use to spur innovation
- facilitation of transnational actions
- Innovation Procurement, Innovation Partnership
- life-cycle costing / best price-quality ratio
- implementing e-procurement
- principles of transparency, competition and ...



By 18 April 2016, EU countries had to transpose the three directives into national law.

# Strategic use of Public Procurement

## OECD Survey on Public Procurement for Innovation

**Response rate:** 28 OECD member countries (80%)  
plus 7 OECD non-member countries

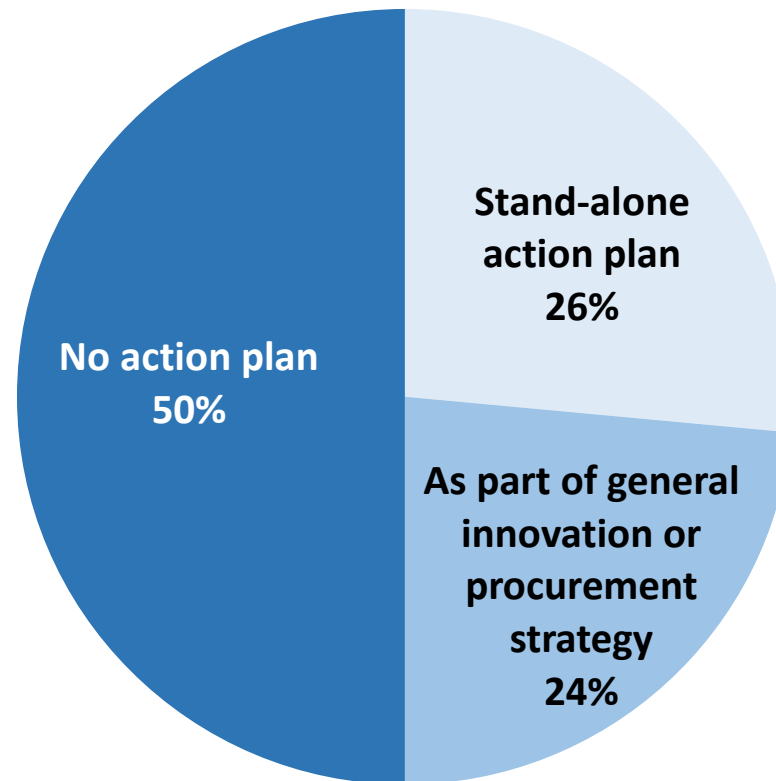
**Part I:** more **policy-oriented**, based on 6 questions of the “ERAC-Questionnaire on Innovation Procurement 2014”; Public procurement is getting from a more limited administrative procedure towards a “**smart**” procurement management, including Strategic Innovation Procurement.

**Part II:** based on the OECD Observatory Public Sector Innovation Survey (OPSI) and focused on the typology of public procurement, especially on the use of strategic innovation procurement; Most respondents have sent a **good practice case** on Strategic Innovation Procurement on national or sub-national level.

*Source: OECD Report Public Procurement for Innovation 2016*

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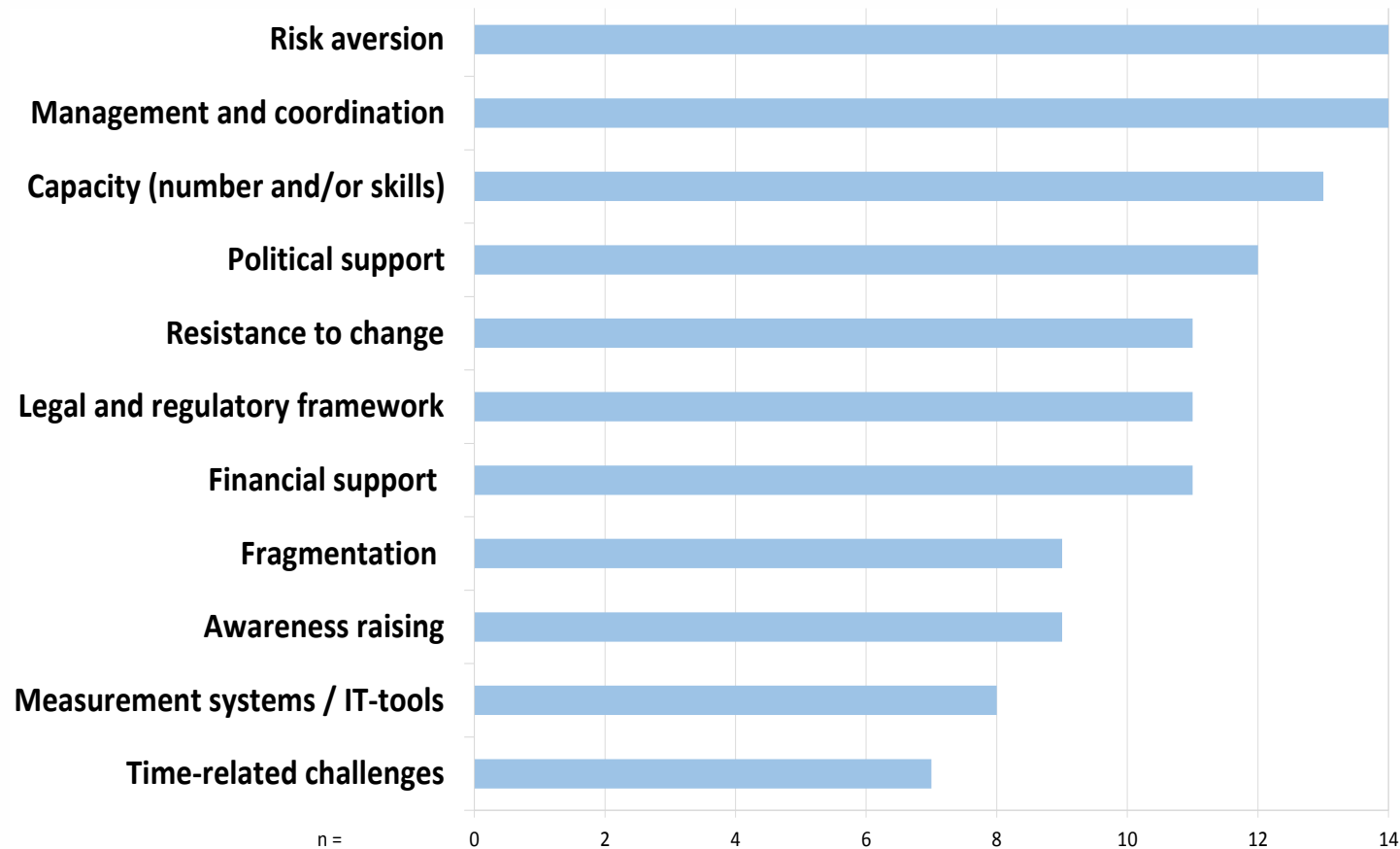
## OECD Survey: Key Findings - Status quo of Implementation



Source: OECD Report *Public Procurement for Innovation 2016*

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## OECD Survey: Key Findings - Main Challenges

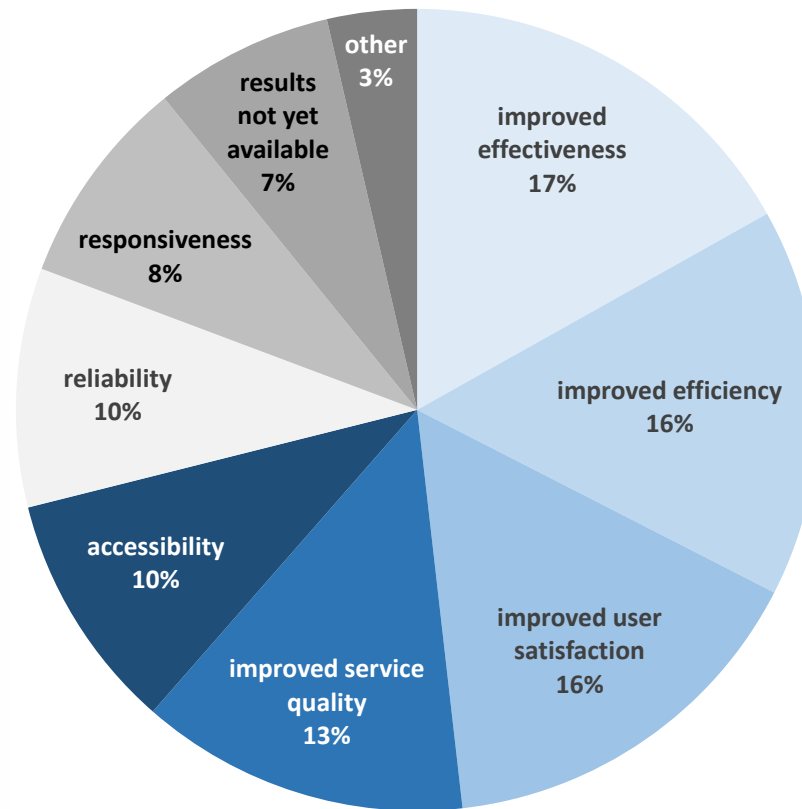


Source: OECD Report Public Procurement for Innovation 2016



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## OECD Survey: Key Findings - Good Practice and Results



Source: OECD Report Public Procurement for Innovation 2016

# Strategic use of Public Procurement

## OECD Report: Framework towards Strategic Public Procurement

Nine areas for action identified:

- policy strategies with defined targets.
- legal framework.
- encourage sound management and leadership in administration.
- financial support.
- professionalisation and capacity building
- Raising awareness and early stakeholder engagement.
- risk management and measurement
- standardisation
- e-procurement

Source: *OECD Report Public Procurement for Innovation 2016*

# Strategic use of Public Procurement

## Some Examples for Capacity Building



# Strategic use of Public Procurement



## European Assistance for Innovation Procurement “eafip” (CSA 2015-2017).

- promotion of innovation procurement focused on ICT based solutions
- training and assistance to public
- best practices in innovation procurement

## Key components of the initiative:

- Identification and establishment of contacts with key public procurers
- Preparation of a Toolkit to assist policy makers, public procurers and legal services
- Provision of assistance for the design and implementation of PCP/PPI
- EU-wide events to raise awareness about PCP and PPI and workshops providing good practice approaches

# Strategic use of Public Procurement



## Competence Centre for Innovative Procurement “KOINNO”

- set up 2013 by the Association Materials Management, Purchasing and Logistics e.V. (BME) for the Federal Ministry for Economic Affairs and Energy (BMWi)
- After evaluation, in 2017 enhanced by the German “EU Contact Point” for Public Procurement of Innovation at ZENIT in collaboration with the German NCP for PCP/PPI at DLR-PT

## Key components of the EU Contact Point:

- Information: topic related events, exchange of experience workshops to public procurers
- Advice: Initial individual advice, assessment of project ideas, funding recommendations
- Support: proposal coaching, proposal check, forming of strategic consortia

# Strategic use of Public Procurement

## DG RTD - Horizon 2020 Policy Support Facility

### MLE on Innovation Procurement:

- Topic A: Strategic Framework
- Topic B: Capacity Building
- Topic C: Financial and other enabling incentives and resources
- Topic D: Measurement, Evaluation and Monitoring



### Other Commission activities on Innovation Procurement:

- A. Funding for a EU wide network of innovation procurement competence centers
- B. Study on the strategic use of public procurement for innovation in the digital economy
- C. Support for public procurers for preparation and implementation of innovation procurements

Source: European Commission: DG RTD 2017

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## Meeting Innovation Challenges by Systemic Approach

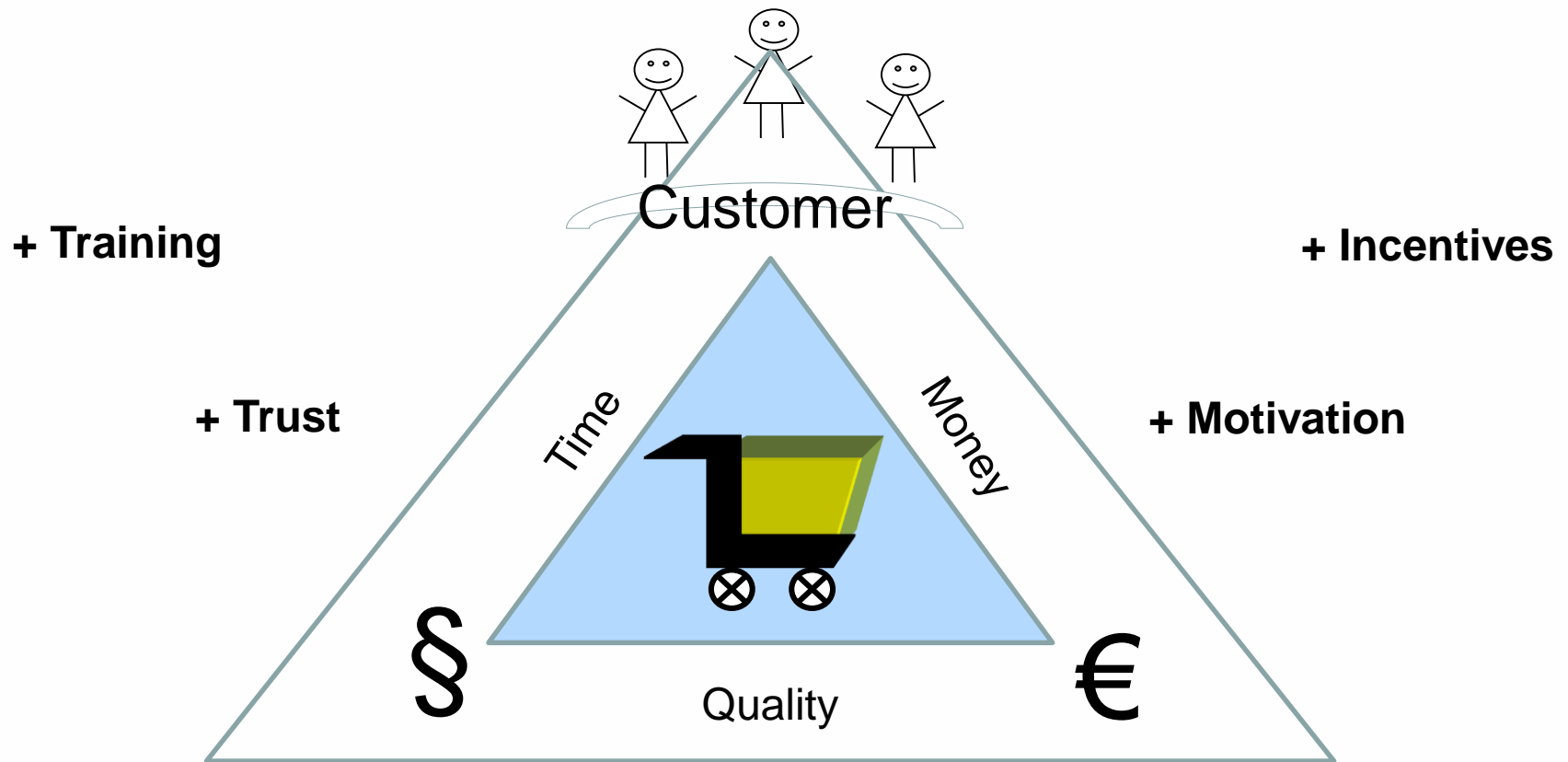
A systemic approach means focusing on:

- the people involved
- the information they are using
- the ways in which they are working together
- as well rules and processes which govern their work

*Source: OECD Report OPSI-H2020 Systems Thinking 2016*

# Strategic use of Public Procurement

## “Magic Triangle” in Public Procurement





# Questions for the Tour de Table

- What are the challenges researcher and public procurer faces in your country?
- To what extent do EU policies on innovation and procurement address risk sharing?
- Capacity building / professionalisation?
- Monitoring of procurement performance?

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