INNOVATION PROCUREMENT
H2020 SUPPORT

Vassilis Tsanidis Dr.Jur.
Digital Innovation and Blockchain Unit (F3)
DG CNECT
European Commission
Why innovation procurement?
Why Innovation Procurement?

WIN-WIN FOR THE PUBLIC SECTOR IN EUROPE

- Modernization of public services – improving the quality and efficiency of public services and tackling societal challenges with innovative / breakthrough solutions for the benefit of the citizens
- Smart use of the procurement budget to remove supplier lock-in and obtain more open, standardized and better value for money solutions in a cost effective manner
- In times of economic distress innovation procurement can boost innovation in a country/region without extra funds – only by shifting existing procurement budget towards R&D and Innovation
- Benefits to the local economy – support to the economic activity in sectors related to the innovative solutions purchased or developed
- It can create growth and jobs in Europe (in PCPs, suppliers can be required to do the majority of R&D in Europe)
WIN-WIN FOR THE PRIVATE SECTOR IN EUROPE

- Can open up market/sales opportunities for innovative companies in Europe
- Demand driven Innovation (through Procurement) helps shortening time-to-market for innovative products/services

SCALE – UP EUROPE MANIFESTO

Calls on the Member States:
- to open public procurement by supporting more Innovation
- to allocate % of their annual procurement budget (3%) to Pre-Commercial Procurements and (20%) to Public Procurements of Innovative Solutions
What can countries/cities/regions do?

**Political encouragement**

- Modernising public sector 'a priority'
  Quality-efficiency improvement targets
  e.g. Lombardia/IT, UK
- Target % proc budgets to R&D&I
  Monitoring framework  
  e.g. UK, NL, ES, Nordics, FR

**Implementation**

- Innov Proc Competence center
  Training / assisting procurers
  (e.g. SE, FI, ES, EE, DE)
- Innov Proc financial support program
  (e.g. SE, FI, ES, EE, HU, DE)

**Encourage demand side to meet supply side**

- Early notification innov proc needs
- Open market consultations
  Meet the buyers events

**Leverage EU funding**

- Horizon 2020
- ESIF
- EIB loans
  
  Increased support for innov proc
H2020 Support to PCP-PPI actions
- **PCP** to steer the development of solutions towards concrete public sector needs, whilst comparing/validating alternative solution approaches from various vendors
- **PPI** to act as launching customer / early adopter / first buyer of innovative commercial end-solutions newly arriving on the market
Forms of support

- **Coordination and Support Actions (100% funding rate):**
  - Support only coordination activities e.g. preparation of a PCP or PPI by a group of procurers (investigating feasibility to start PCP/PPI, open market consultation with industry before initiating a concrete PCP or PPI etc)
  - CSAs do not provide EU co-financing for an actual PCP or PPI procurement

- **PCP Actions (maximum 90% funding rate):**
  - Provide EU co-financing for an actual PCP procurement (one joint PCP procurement per PCP action) + for related coordination and networking activities (e.g. to prepare, manage and follow-up the PCP procurement)

- **PPI Actions (35% funding rate):**
  - Provide EU co-financing for the actual PPI procurement(s) (one joint procurement or several separate but coordinated PPI procurements per PPI action) + for related coordination and networking activities (e.g. to prepare, manage and follow-up the PPI procurement(s))
2019 calls in support of PCP and PPI

PCP ACTIONS

- ICT based solutions for any area of public interest: 6 M€ (ICT-34)
- Next generation sequencing for routine diagnosis: 40 M€ (BHC-10)
- Wave energy: 20 M€ (LC-SC3-JA-3-2019)

PPI ACTIONS

- Digital health & care solutions for an ageing society: 10 M€ (DTH-05)

PCP actions: co-finance (maximum 90%) actual procurement cost for joint PCPs + coordination costs
PPI actions: co-finance (35%) actual procurement cost for joint and coordinated PPIs + coordination costs
CSA actions: co-finance (100%) only coordination costs e.g. procurer networks preparing future PCPs/PPIs
Examples of EU funded Innovation Procurement Projects
Antwerpen, Copenhagen and Helsinki are gearing up for the following innovation challenge: how can the cities reinvent themselves as linked and large-scale Internet of Everything (IoE) labs, with easy access to developers and innovators to pilot, test and validate their solutions?

The SELECT for Cities PCP develops an open, service-oriented platform that enables large-scale co-creation, testing and validation of urban IoE applications and services.

In Smart.met seven water utilities undertake a joint PCP to challenge industry to develop more efficient drinking water management solutions, steered through smart meters to improve customer service, decrease operating costs, better prioritize infrastructure investments and contribute to water conservation. The ambition is to arrive to an open standardised framework for smart metering in the water sector to reduce vendor lock-in and enable a whole new wave of innovations to find their way into the water sector.


Info about scope of each call topic, online drafting and submission of proposals on H2020 participants portal: [http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/search/search_topics.html](http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/search/search_topics.html)
Benchmarking of national innovation procurement policy frameworks findings of the Study : Smart 0040/2016
<table>
<thead>
<tr>
<th>Country</th>
<th>TOTAL</th>
<th>S-score</th>
<th>Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>66,5%</td>
<td>2,7</td>
<td>Strong performer</td>
</tr>
<tr>
<td>Austria</td>
<td>52,3%</td>
<td>1,7</td>
<td>Good performer</td>
</tr>
<tr>
<td>Netherlands</td>
<td>46,9%</td>
<td>1,4</td>
<td>Good performer</td>
</tr>
<tr>
<td>Belgium</td>
<td>44,4%</td>
<td>1,2</td>
<td>Good performer</td>
</tr>
<tr>
<td>Sweden</td>
<td>41,5%</td>
<td>0,1</td>
<td>Good performer</td>
</tr>
<tr>
<td>Estonia</td>
<td>41,4%</td>
<td>1,0</td>
<td>Good performer</td>
</tr>
<tr>
<td>Norway</td>
<td>39,5%</td>
<td>0,8</td>
<td>Good performer</td>
</tr>
<tr>
<td>Spain</td>
<td>38,3%</td>
<td>0,8</td>
<td>Good performer</td>
</tr>
<tr>
<td>UK</td>
<td>37,0%</td>
<td>0,7</td>
<td>Good performer</td>
</tr>
<tr>
<td>Germany</td>
<td>34,1%</td>
<td>0,5</td>
<td>Moderate performer</td>
</tr>
<tr>
<td>France</td>
<td>33,6%</td>
<td>0,4</td>
<td>Moderate performer</td>
</tr>
<tr>
<td>Italy</td>
<td>32,3%</td>
<td>0,4</td>
<td>Moderate performer</td>
</tr>
<tr>
<td>Slovenia</td>
<td>28,7%</td>
<td>0,1</td>
<td>Moderate performer</td>
</tr>
<tr>
<td>Greece</td>
<td>26,9%</td>
<td>-0,02</td>
<td>Modest performer</td>
</tr>
<tr>
<td>Lithuania</td>
<td>26,4%</td>
<td>-0,1</td>
<td>Modest performer</td>
</tr>
<tr>
<td>Slovakia</td>
<td>23,5%</td>
<td>-0,3</td>
<td>Modest performer</td>
</tr>
<tr>
<td>Cyprus</td>
<td>20,8%</td>
<td>-0,4</td>
<td>Modest performer</td>
</tr>
<tr>
<td>Malta</td>
<td>20,6%</td>
<td>-0,5</td>
<td>Modest performer</td>
</tr>
<tr>
<td>Ireland</td>
<td>19,6%</td>
<td>-0,52</td>
<td>Low performer</td>
</tr>
<tr>
<td>Denmark</td>
<td>19,2%</td>
<td>-0,54</td>
<td>Low performer</td>
</tr>
<tr>
<td>Latvia</td>
<td>16,7%</td>
<td>-0,7</td>
<td>Low performer</td>
</tr>
<tr>
<td>Poland</td>
<td>15,3%</td>
<td>-0,8</td>
<td>Low performer</td>
</tr>
<tr>
<td>Hungary</td>
<td>14,4%</td>
<td>-0,9</td>
<td>Low performer</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>13,6%</td>
<td>-0,9</td>
<td>Low performer</td>
</tr>
<tr>
<td>Romania</td>
<td>13,3%</td>
<td>-1,0</td>
<td>Low performer</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>12,6%</td>
<td>-1,0</td>
<td>Low performer</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>11,1%</td>
<td>-1,1</td>
<td>Low performer</td>
</tr>
<tr>
<td>Croatia</td>
<td>9,6%</td>
<td>-1,2</td>
<td>Low performer</td>
</tr>
<tr>
<td>Portugal</td>
<td>9,5%</td>
<td>-1,2</td>
<td>Low performer</td>
</tr>
<tr>
<td>Switzerland*</td>
<td>5,3%</td>
<td>-1,5</td>
<td>Low performer</td>
</tr>
</tbody>
</table>
**INDICATOR 2 – HORIZONTAL POLICIES**

**SUBINDICATOR REGIONAL/URBAN POLICY**

<table>
<thead>
<tr>
<th>Country wide</th>
<th>Not country wide</th>
<th>No recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional/Urban policy</td>
<td>BG, CZ, EE, EL, ES, FI, HU, LT, PL, PT, RO, SI, SK, UK (14)</td>
<td>AT, BE, DE, DK, FR, IT, (6)</td>
</tr>
</tbody>
</table>

In 14 countries (BG, CZ, EE, EL, ES, FI, HU, LT, PL, PT, RO, SI, SK, UK) the strategic importance of innovation procurement for regional/urban development is recognised in the national regional and urban policy framework for the whole country. In these national strategies, in most cases the regional actions in the innovation procurement field are foreseen in the context of the ESIF smart specialization strategies that are implemented by regional authorities.

6 countries (AT, BE, DE, DK, FR, DE, IT) do not recognise the strategic importance of innovation procurement for regional/urban development for the whole country, but only in certain regions:

In 10 countries (CY, CH, HR, IE, LV, LU, MT, NL, NO, SE) there is no recognition yet of the strategic importance of innovation procurement in regional/urban policies at national or regional level.
Draft results of the benchmarking of national policy frameworks for innovation procurement across the 28 European Member States, Norway and Switzerland.

Any comments on the country profiles? Good practice examples you want to share?

Let us know via the online consultation

NETWORK OF INNOVATION PROCUREMENT COMPETENCE CENTERS
The Procure2Innovate project establishes or expands competence centres for innovation procurement in 10 EU Member States.

The project foresees the expansion of, and improvement of services at, five existing competence centres in: Austria, Germany, the Netherlands, Spain and Sweden. During the course of the project, new competence centres will also be created in five additional countries: Estonia, Greece, Ireland, Italy and Portugal.

http://procure2innovate.eu/
Thank you very much for your attention

Vassilis Tsanidis Dr.Jur
Digital Innovation and Blockchain Unit (F3)
DG CNECT
European Commission
Vasileios.Tsanidis@ec.europa.eu