



Advantages of investing in Innovation Procurement (PCP/PPI)



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WHY USE INNOVATION PROCUREMENT?

Win-win for the public sector

- **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)



WHY USE INNOVATION PROCUREMENT?

Win-win for the private sector

- 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

Win-win for the startups and innovators

In the **Scaleup Europe manifesto** - startups 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



Europe's next leaders: the Startup and scaleup initiative*

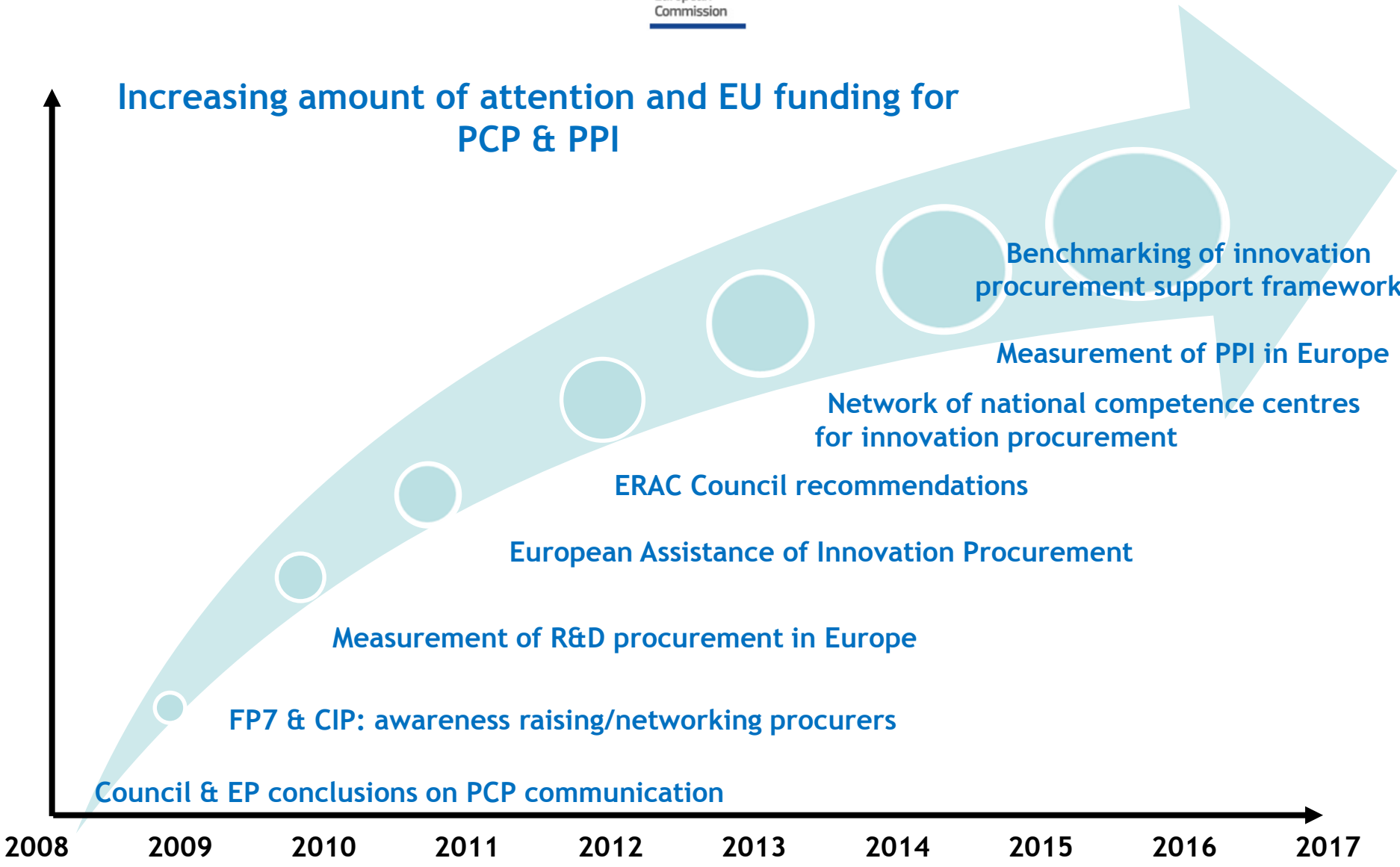
Acknowledges that :

- Public procurement, a €2 trillion market, represents a great opportunity for startups to grow with public sector customers
- Compared to their weight in the economy, startups/scaleups do not get a proportionate share of public contracts
- Better support to contracting authorities on using the market opportunities and the modernised procurement tools is necessary to improve the uptake of innovative startups/scaleups

Encourages the MS to:

- **Set ambitious innovation buying targets**

Growing impact at European level





Results from the first EU funded PCPs for the procurers

- *Increased budget efficiency*
- *More open interoperable solutions*
- *Encouraging commercialisation of results by vendors*
- *Improving quality and efficiency of public services*



❑ Stimulating cross-border company growth

- 34,6% of contracts won by bidders that are not from a country of any of the procurers in the buyers group

❑ Creating growth and jobs in Europe

- 98,7% of bidders do 100% of R&D activities for the PCP in Europe

❑ Opening a route-to-market for new innovative players/SMEs

- 71% of contracts won by SMEs (SME lead bidder, bidding alone or with partners)

❑ Helping larger market players bring products to the market

- 18% of contracts won by large companies as single bidder

❑ Relevance to universities, bringing scientific results to market

- 28% of winning contracts have also a university/R&D centre partner in consortium

Innovation procurement across Europe



- Priority in Policy FW
- Action Plan
- Target
- Competence Center
- Financial Incentives
- Monitoring Framework



What can countries/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 Centre
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



**Thank you very much
for your attention**

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