Ministry of Economic Affairs,
Agriculture and Innovation

Public Procurement in Support of Innovation

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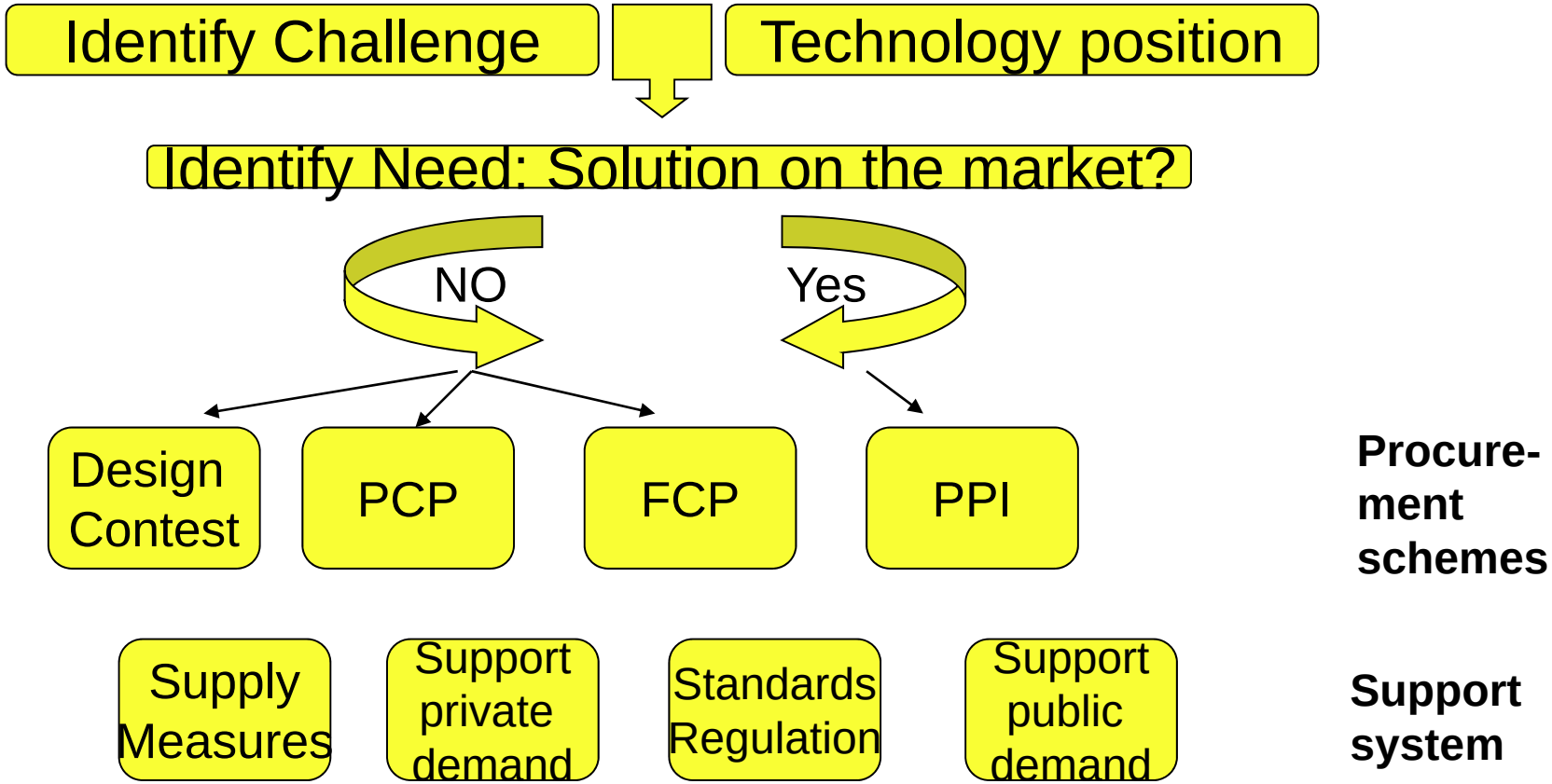
Demand based innovation policy has different goals that represent a wide range of policy areas!

- Solving Public Sector Challenges
- Creating lead markets
- Enhancing (SME) innovations and diffusion

Starting point in the past: a route to market for innovations

Demand based policy scheme



Failure and success?

Pitfalls:

- Lack of understanding European directives:
- Risks are avoided, not managed
- Few organizations have a procurement innovation strategy
- Many stakeholders without expertise, not focused on cooperation
- Profit oriented companies
- Lack of incentives

Key success factors:

- Innovation strategy in the organization
- Link between innovation and procurement strategy
- The guts to do it
- Taking time for:
  - Problem definition
  - Market analysis and participation
- Team approach

Trends and developments in member states

- Traditional focus on supply side measures
- Public and private interest in public procurement for innovation
  - Grand (sustainable) challenges
  - Cut on innovation subsidies
- Hard to acknowledge that investing time and money is needed!
  - A tender process allowing incremental innovations differs from an innovation procurement process enhancing radical innovations!
- Shift from guidance to stimulating projects
- Combination of PCP and Lead Customership
- The wish to take European Directives to the next level

Pieces of the

- Compliments to the EC for their efforts to stimulate PPI
- My recommendations are:
  - Flexibility:
    - Include catalytic procurement and PPI without PCP
    - Allow for different combinations of activities
  - Not too much focus on joint procurement
  - Involvement of relevant stakeholders
  - Commitment of Member States
  - Controlled experiments in all policy areas (learning curve)

€15 million