

Supporting innovation in Lead Markets through trans-national networks of procurers

DG Enterprise and Industry
Innovation Policies
Dr. Bertrand Wert
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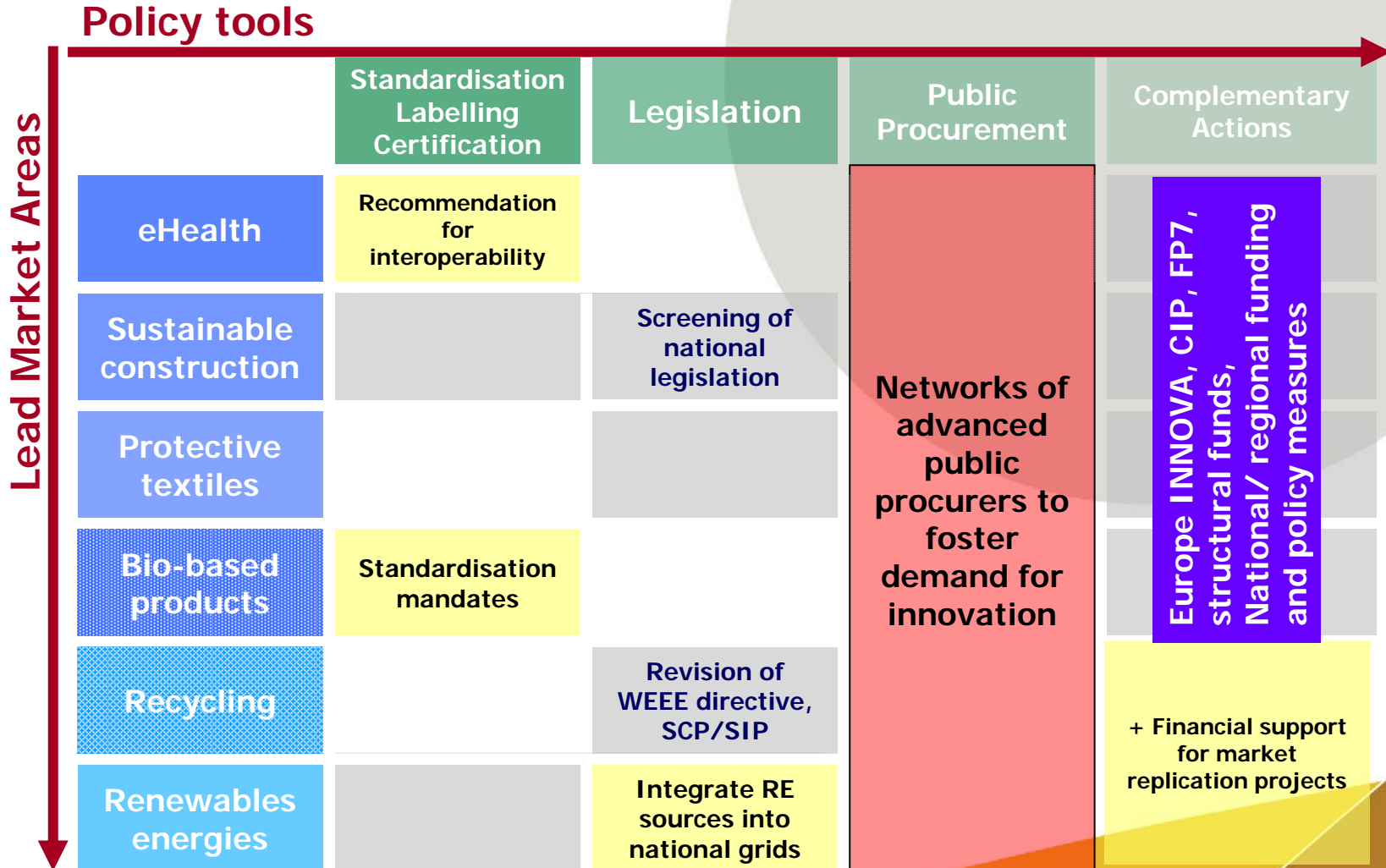
Summary of the presentation

- Context:
 - The Lead Market Initiative
 - Context: EC Public Procurement Directives
 - EC reports and guidance
 - Trans-national networks
- Current situation: barriers to procuring innovative solutions
- Future action:
 - Lead market public procurement networks
 - Aims and activities
- Scope of the action
- Future action:
 - who will take part?
 - who will take benefit?
- Expressions of interest: general responses
- Future actions

Context: Lead market initiative

- Stimulating the demand for innovation
- Through regulation, standards, **public procurement**
- Six markets:
 - E-health, sustainable construction, protective textiles, bio-based products, recycling, renewable energy

Context: Lead market initiative



Context: EC Public Procurement Directives

- EC-directives regulate in principle the process of procurement (*'how'*) and not the object of procurement (*'what'*), thus irrespective of the innovative or non-innovative nature of the contract
- EC-directives do not regulate the suitability of decisions by contracting authorities. Their objective is to open up public markets across the EU
- The procurement directives offer wide range of possibilities for innovation

Context: EC reports and guidance

- *Public Procurement for research and innovation: Developing procurement practises favourable to research and innovation, (The Wilkinson Report), September 2005*
- *Innovation and Public Procurement. Review of Issues at Stake, Fraunhofer ISI, December 2005*
- *Guide on dealing with Innovative Solutions in Public Procurement: 10 elements of good practice, European Commission, February 2007*
- *Precommercial procurement: driving innovation to ensure sustainable high quality public services, European Commission, December 2007*

Context: trans-national networks

- Support to trans-national networks in innovation
 - e.g. STEPPIN project on innovation and standards in public procurement
- Support to trans-national networks in other policy areas:
 - e.g. regional management, energy, environment, research
- Other networks not supported directly by EC
 - Public Procurement Network, EU public procurement Learning lab

Current situation: barriers to procuring innovative solutions

- Lack of expertise and knowledge of procurers
- Limited interaction between procurers and suppliers
- Absence of strategy to link policy objectives, procurements and market/ technology developments
- Perceived conflict between value for money and innovation
- Tendency to favour lowest cost bids
- Fragmented markets
- Limited networking and collaboration between procurers

Future action: Lead Market public procurement networks

- EC financial support (grants) to be provided for thematic networks of public procurers in the lead market areas
- Supporting public bodies to procure innovative goods, services, solutions in these lead markets:
 - ✓ Better procurements
 - ✓ More innovation
 - ✓ Better public services

Future action: aims and activities

- Financial support for procurers to collaborate on:
 - Building networks and exchanges of information and practice;
 - Improving their knowledge about innovative solutions available in the market, “the intelligent customer”;
 - Interacting with suppliers and markets about future needs, “more investments, better suppliers”;
 - Developing procurement strategies, “economies of scale, scope, risk sharing” and possible joint actions;

Scope of the action

Thematic networks need to be in the areas of:

- **Sustainable Construction**
 - Non-residential, residential, infrastructure
 - New design technologies, management methods, “servicisation”
- **Protective textiles**
 - Fire, rescue, security, police, public transport, defence, medical
- **Bio-based**
 - Bio-plastics, bio-lubricants
- **Recycling**
 - Facilities and services
- **Renewables**
 - Goods and wastes
- **e-Health** to be supported in a future call

Future action: who will take part?

Financial support to be provided for trans-national consortia involving:

- Public procurers active in the lead market areas
- Organisations that support public procurement
- Innovation agencies
- Other?
- Located in EU Member States or countries associated to the Competitiveness and Innovation Programme.

Future action: who will benefit?

- **Wider set of public procurers** active in the lead market area
 - Participate in events, training, web portals
 - Benefit from information, dissemination
- **Industrial suppliers/ trade associations**
 - Need to avoid conflict of interests
 - Participate in technical dialogues
 - Benefit from information, dissemination
- **Other stakeholders, e.g.**
 - Co-operation with other networks and activities at EU and national/ regional level
 - Co-operation with innovation/ research agencies
 - Interface with procurement policies/ support
 - Interface with Commission services

Expressions of interest: general responses

- Umweltbundesamt (Federal Environment Agency)
- Romanian Ministry of Environment and Sustainable Development
- Vinnova
- Climate Alliance
- Birmingham City Council, United Kingdom
- French Government
- Ministry of Economic Affairs, The Netherlands

Sustainable Construction

- Austrian Federal Chamber of Architects
- European Council of Engineers Chambers (ECEC)
- EUS Holdings Limited
- Norwegian Health Department/ Ministry
- Geosystems group s.r.l. & Innovation carrier s.r.l.
- Climate Alliance
- Culminatum Ltd Oy, Helsinki Region Centre of Expertise

Protective Textiles

- Firebury Ltd
- C. Sandroni & Co S.r.l. (Busto Arsizio, Italy), G.Tosi S.r.l. (Busto Arsizio, Italy), Manifatture Cotoniere Settentrionali S.r.l. (Busto Arsizio, Italy), Microsystems S.r.l. (Milan, Italy)
- Danish Institute of Fire and Security Technology (DBI)
- The Ministry of the Interior of the Republic of Lithuania
- PROMPTEX (European federation)
- Beschaffungsamt des Bundesministeriums des Innern
- Centrocot
- Lithuanian Textile Institute

Bio-based Products

- Culminatum Ltd Oy, Helsinki Region Centre of Expertise

Recycling

- Federation of the German Waste Management Industry (BDE)
- Culminatum Ltd Oy, Helsinki Region Centre of Expertise

• 47 stakeholders from 16 EU MS and 4 non EU MS were involved

• Sustainable construction attracted most proposals, while there was less interest in some of the lead market areas, such as recycling

• 3 networks could be established

Future actions

- Call for proposals has been launched in Autumn 2008
- 3 projects to start in September 2009
- Launching probably under the Swedish Presidency conference on “*Sustainable Industry*” in Linköping on November 1 & 2, 2009
- All information at:
http://ec.europa.eu/enterprise/leadmarket/public_procurement_networks.htm
- All enquiries to: ENTR-LMI@ec.europa.eu

Thank you for your attention!

bertrand.wert@ec.europa.eu