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# Public Procurement of Innovation

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Thematic Webinar

15 June 2020 | Online



# iBUY – Fostering the role of public authorities as demanders of innovation through public procurement



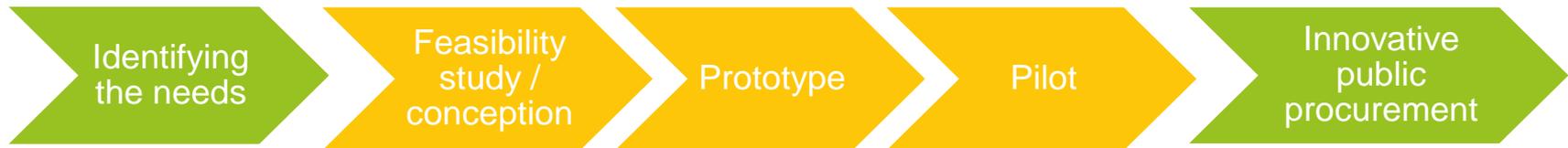
- It aims at encouraging public authorities to start acting from the demand side for innovation
- Consortia of seven countries:
  - **Coordinator. Lithuania** – Lithuanian innovation centre;
  - **Latvia** – Ministry of Economy;
  - **Finland** – Baltic Institute of Finland;
  - **Romania** – Agency of Regional development;
  - **Greece** – Regional government of Central Greece;
  - **Portugal** – National Innovation agency;
  - **Balearic Islands (Spain)** - Foundation for Innovation and Technology in the Balearic Islands.



# Pre-commercial procurement (1)



***The aim*** – to support innovation by procurement of research and development of new innovative solutions before they are commercially available.



## *The ways to initiate PCP:*

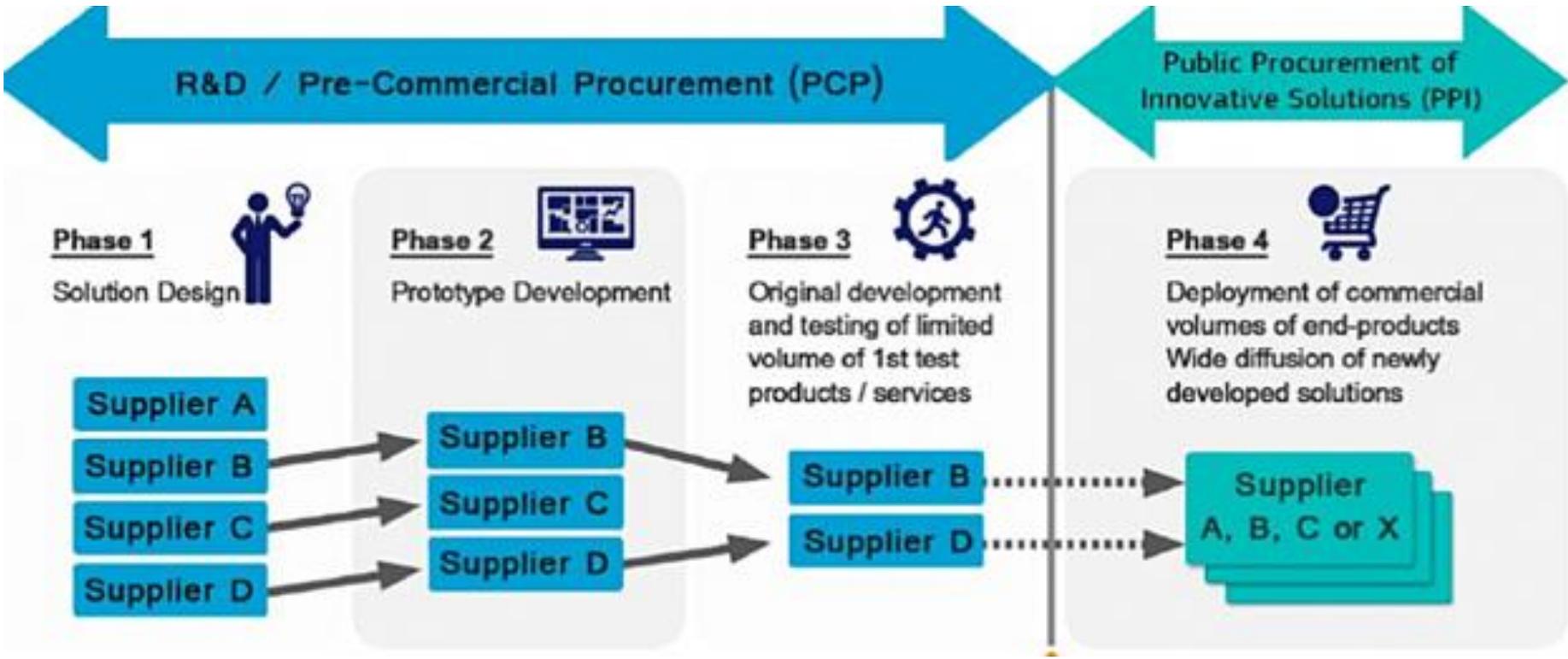
- *By individual public procurer initiative with it's own budget*
- *With support of Central Agency that co-finances PCP*
- ***With support of ESF measure “Pre-commercial procurement LT”***

# Pre-commercial procurement (2)



- **Source** - Lithuanian OP
- **Beneficiary** - public sector (19 procurements announced)
- **Funding principles:**
  - **Funding ratio:**
    - up to 85% from ESF
    - 15% own contribution
  - **Form** - non-refundable subsidy (20 mln euros available)
- **What is procured:**
  - Creation and approval of the concept of innovative products (stage I);
  - Creation of a prototype of an innovative product (stage II);
  - Piloting innovative product, which may include the purchases of an innovative product (stage III).

# Pre-commercial procurement (3)



# Pre-commercial procurement case (ESO)



Energijos Skirstymo Operatorius AB (ESO) is carrying out a pre-commercial procurement and invites its participants to develop a system that would help determine the condition of overhead power lines without human intervention.

# 4. Recommendations



1. Public sector could play more active role in promoting innovation through public procurement. Continuous effort is needed to experiment and improve dedicated instruments
2. Financial support for Public Procurement of Innovation -necessary but not sufficient to initiate the change:
  - 2.1. Financial support should be accompanied by advisory services that are designed to help contracting authorities in identification of possible challenges/needs for innovation
  - 2.2. Financial support should be accompanied by advisory services that are designed to help businesses to understand the concept and benefits of PCP as well as process of application
  - 2.3. Special focus should be paid for facilitation of dialogue between public institutions, researchers and businesses.

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**Thank you for your  
attention!**

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