



# PROCURE INNOVATION EU TRAINING PROGRAMME

MAY 2024



## Fostering innovation through public procurement

There are many tools available for Public Buyers to promote the innovation of products, including Public Procurement of Innovation (PPI). In the previous Insight, we discussed the need to establish a clear **strategic framework for promoting innovation**. In this Insight we answer the following question:

## How to encourage public administrations to develop and procure innovation through public procurement?

### Interesting Fact:

The European Commission has highlighted the **benefits of buying innovation** and the need for Public Buyers to become aware of these benefits:

- Contributes to markets by solving problems
- Enables purchasers to deliver higher quality services at best value for money.
- Modernizes public services for citizens \*

Furthermore, buying innovation supports: economic recovery, green and digital transition, creation and growth of innovative start-ups and SMEs, and resilience of the European Union.

According to the European Council, “framework conditions – including regulations – are important factors for the development and uptake of innovative products and processes. Together with the further expansion of innovation procurement, the creation of innovation-friendly regulatory frameworks is the main priority of this flagship area”.\* European Union legislation includes the **necessary tools to promote innovation** in the market through public procurement, but Public Buyers should be aware of their potential use to achieve innovative solutions and foster **an innovative ecosystem**.

## Case Study

The first and most important step is that public buyers effectively address the challenges of public procurement based on value, quality, and innovation. For that, up-to-date and real knowledge of the different options available on the market and the opportunities and/or improvements associated with their innovation are needed. Also, the capacities, resources, interests, and objectives of the actors in the innovation ecosystem must be considered.



This can be done by activating tools such as Early Demand Maps, Open Market Consultations, setting up idea boxes, participating in congresses, innovation forums, etc.

It is also important to ensure that the **expected benefits of the innovative solutions** to be supported outweigh the necessary investment costs. For these reasons, public procurement of innovation is based on the promotion of **continuous and permanent cooperation with the various actors of the ecosystem involved**.

The next step is to use innovation procurement procedures focused on **R&D&I services**. In this sense, the regulations establish the necessary tools to promote innovation in the market, such as innovation partnerships, public procurement of innovative solutions, pre-commercial procurement, etc. Also, the **use of negotiated procedures or competitive dialogues**, which are easier to manage compared to other procedures, can be used for works, supplies or services that fulfil an innovative project or solution.

In short, the role of **public purchasers in promoting innovation through public procurement is key**, especially for teams that have opportunities for improvement and innovation and that respond more effectively to the satisfaction of services and the needs of citizens. In other words, **innovation in government reinvigorates the leadership role of policymakers** and the ability to **generate and implement new** ideas. However, it is also a **challenge for the Public Sector**, as these tools should be deeply understood and applied.

## Learn more about

**Do you want to use innovative procurement procedures? Do you want to turn public procurement into a tool for promoting innovation?**

1. Let's contribute to generate innovative products and services in the market.
2. Let's use public procurement of innovation to promote the competitiveness of our economies and improve our ability to attract and retain jobs.

If you are interested, join this community! 

Coming up next:

JULY 2024- How to increase R&D&i investment through public procurement of innovation?