Innovation Partnerships (IP)

Overview of TED Data 2016-2023

07/2024

What did we do?

Cleaning the Data, categorizing and organizing

Workflow

- Retrieve Innovation Partnership (IP) data from TED (CAN and CNs[#1])
- Clean "real" IP from "fake[#2]" IP
- Research to retrieve missing contract information
- Categorize into sectors and policy objectives

European Commission

#1: CAN and CN stand, respectively, for Contract Award Notice and Contract Notice | #2: There are many data entry errors; procedures indicated as IP are not in reality

Innovation Partnership (IP) at a glance

increasing trend
both in value and number of contracts awarded in 2023

199
contracts awarded in total between 2016-2023

>8.5bn €
in contract value awarded between 2016-2023

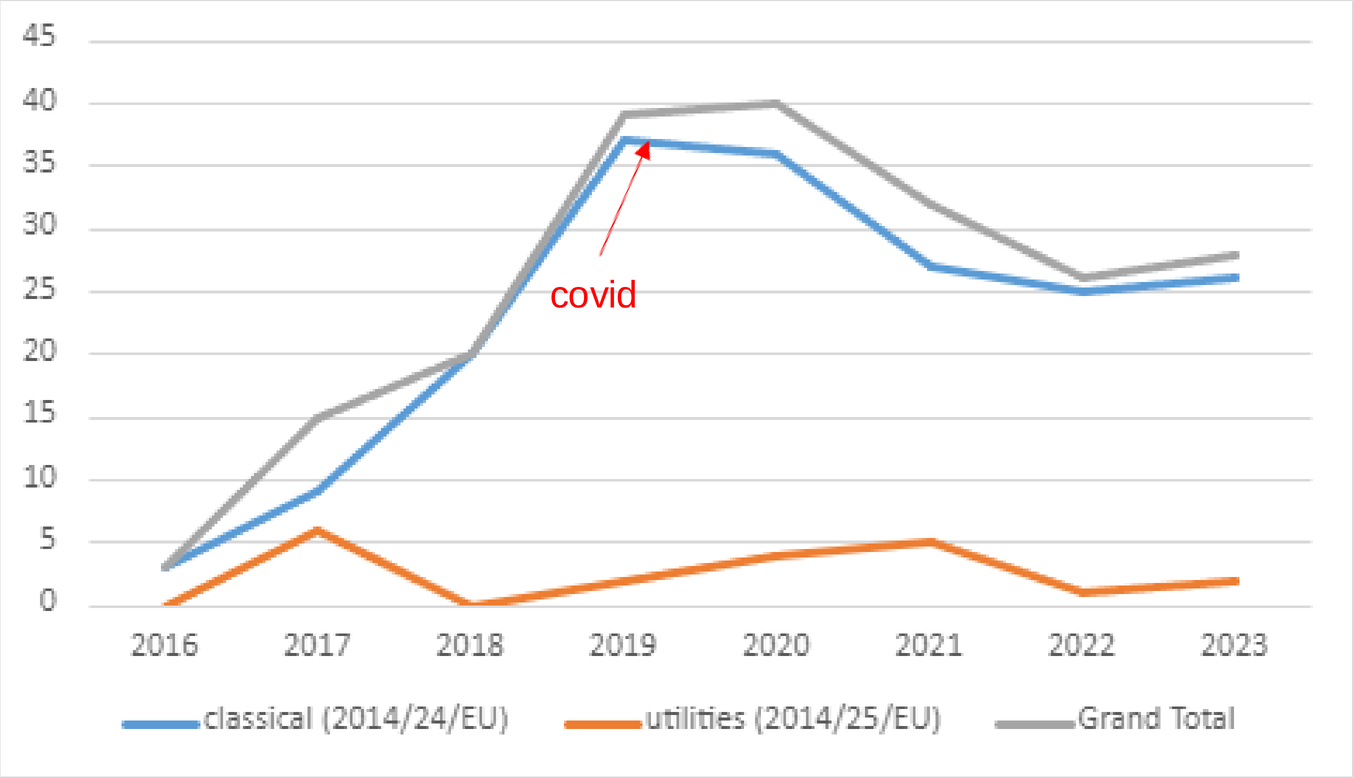
CZ
top country for number of contracts awarded in 2023

67%
of contract value spent on green, social or digitalisation purposes in 2023

What are the results?

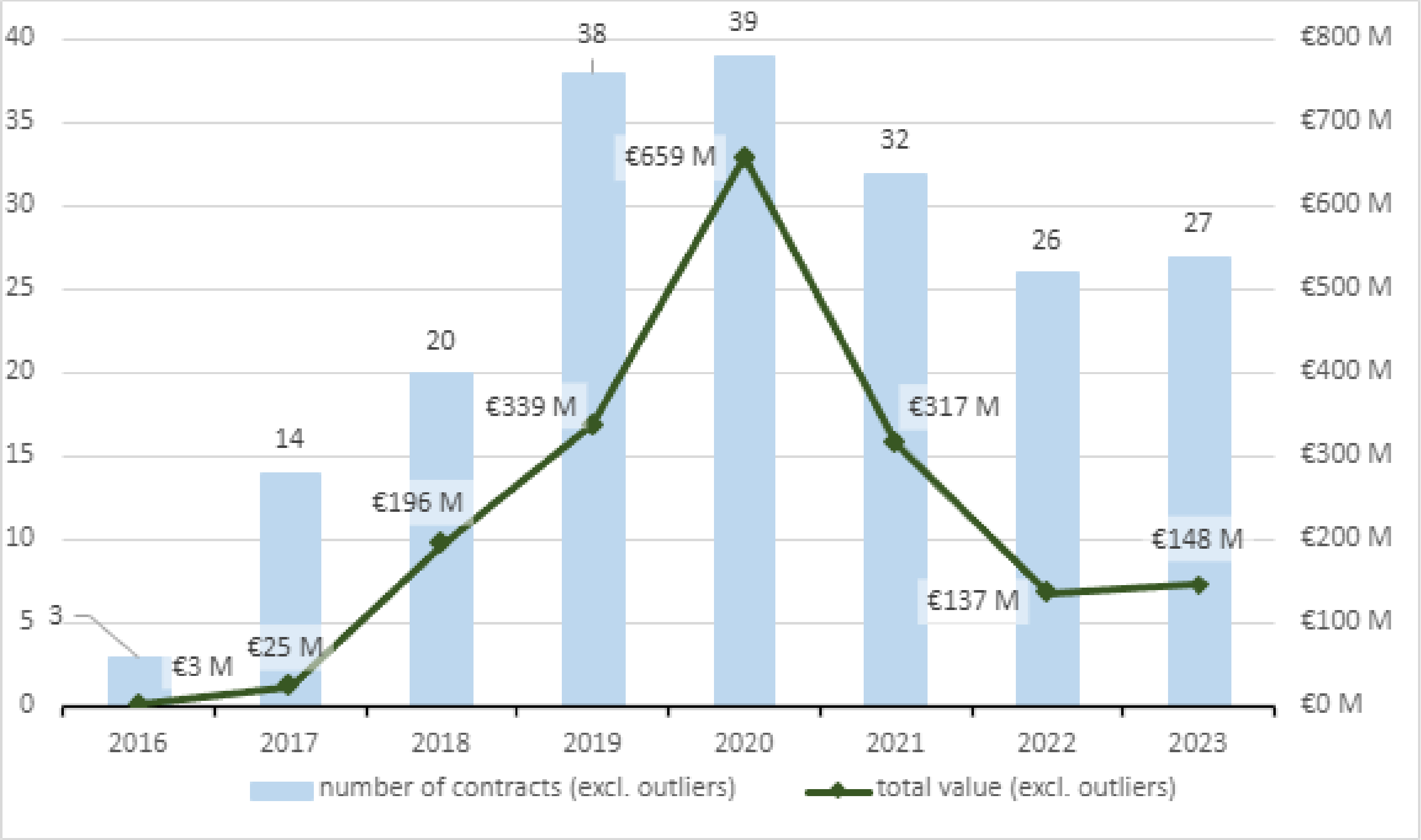
IP have a strong impact on innovative and green outcomes

Evolution of contracts awarded by Directive



- The total number of contracts awarded had been decreasing over the last years, but has started to increase again in 2023
- 90% of cases are under the Classical Directive
- Utilities: growing trend in 2023, from previous decrease in 2022
- The decrease of contracts under the Classical Directive after 2020 may be due to the pandemic

Total value of IP contracts awarded
(excl. outliers)

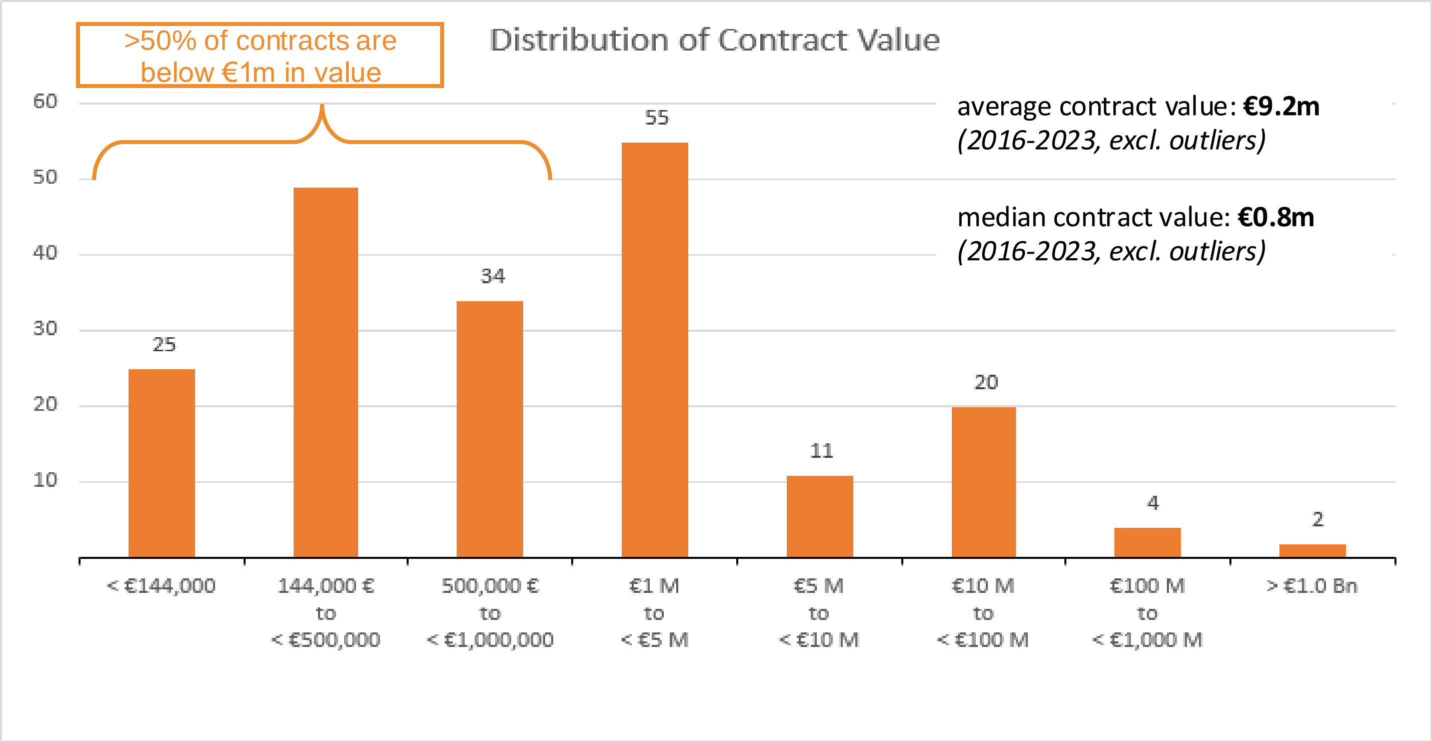


- Value of contracts awarded, and number of contracts awarded each year
- Peak in 2020, then a sharp decrease likely affected by Covid
- Increasing trend in value and number of contracts awarded in 2023
- Total value of 2016-23 (including outliers): 8.5bn €
- Average value (excl. outliers*): 9.2m €

European Commission

*We consider as outliers cases with a procurement value < 2 € and >1bn € (5 cases in total, year: 2017, 2019, 2020, 2023)

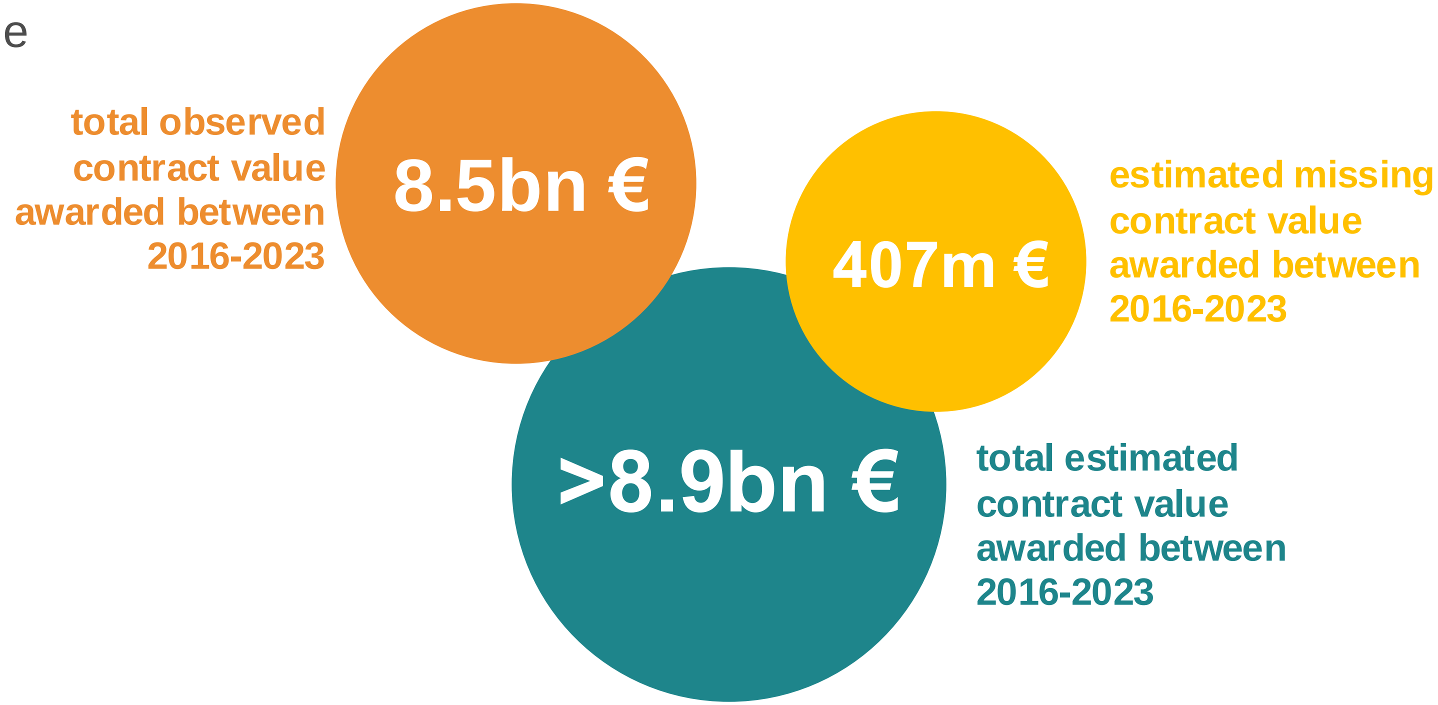
Distribution of Contract Value
(incl. outliers)



- Many contracts range below the EU-threshold level of 140k €
- The higher we move in value the less contracts there are
- There is a very large range between the contracts, with the lowest being below <10k € and the highest >5bn €

Estimating missing values through CNs

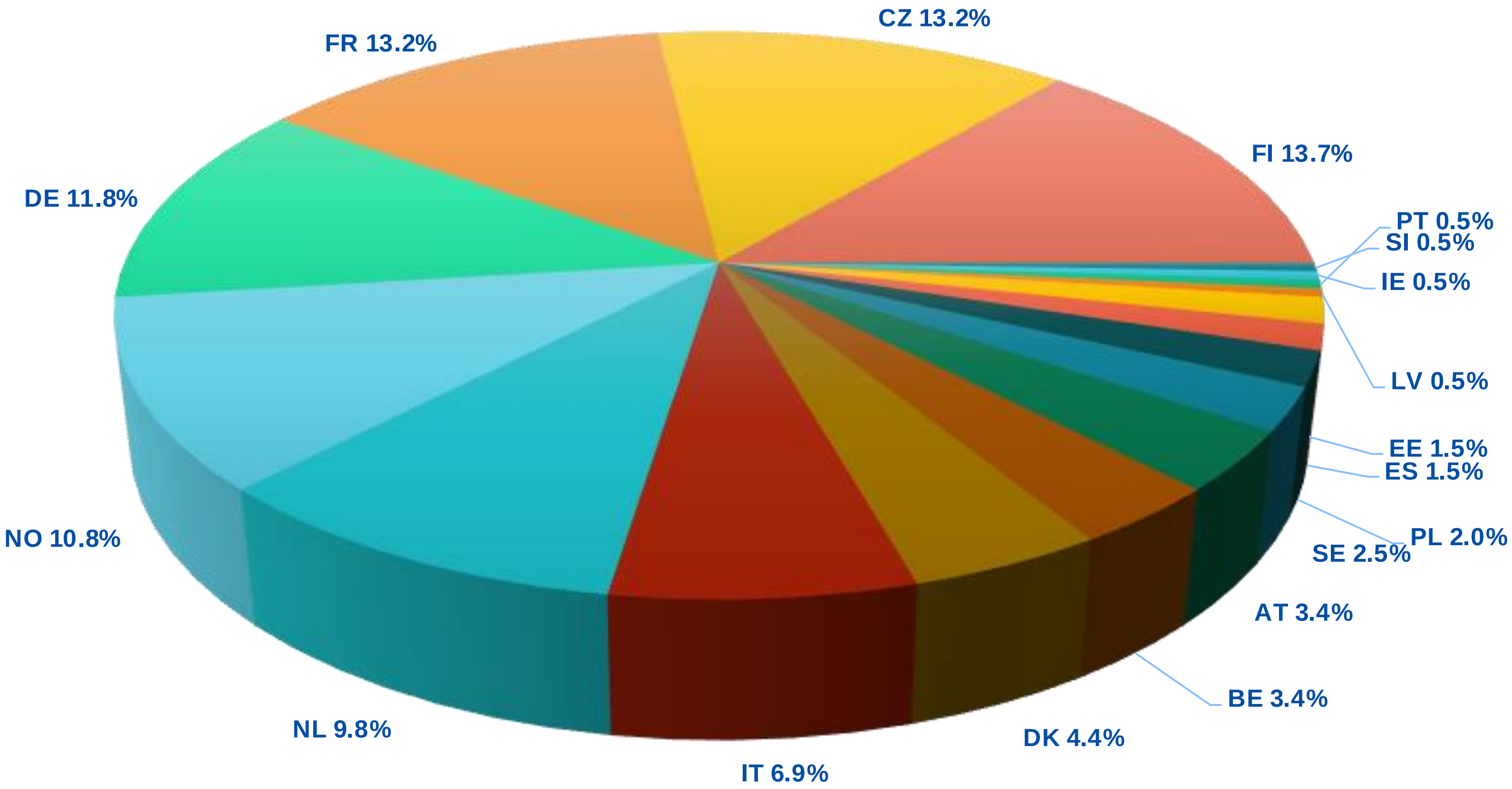
- When a CN of an IP case did not have a corresponding CAN or the CAN included a missing value, we directly contacted the buyer to obtain the information
- We did not receive feedback from all cases
- Using the average value all over the period, we estimated the total value of missing cases and missing values
- Estimated total value of missing cases and missing values: 407m €
- This represents 4.8% of the total value observed in the entire period 2016-23



IP by Member States

(based on the number of contracts awarded, incl. outliers)

- IP awarded in 10 different countries in 2023 and 18 for the period 2016-23
- Top 3 countries for number of contracts awarded in 2023:
  1. Finland (28 cases)
  2. Czech Republic (27)
  2. France (27)
- Includes all EU-27 countries plus EEA countries (NO, LI, IS)



IP with cross-border awards

(excl. outliers)

There are examples of **cross-border collaboration** in IP:

17/194 contracts awarded to foreign companies, i.e. **8.8%** of contracts awarded *(compared to <3% of direct cross-border for PP contracts in general)*

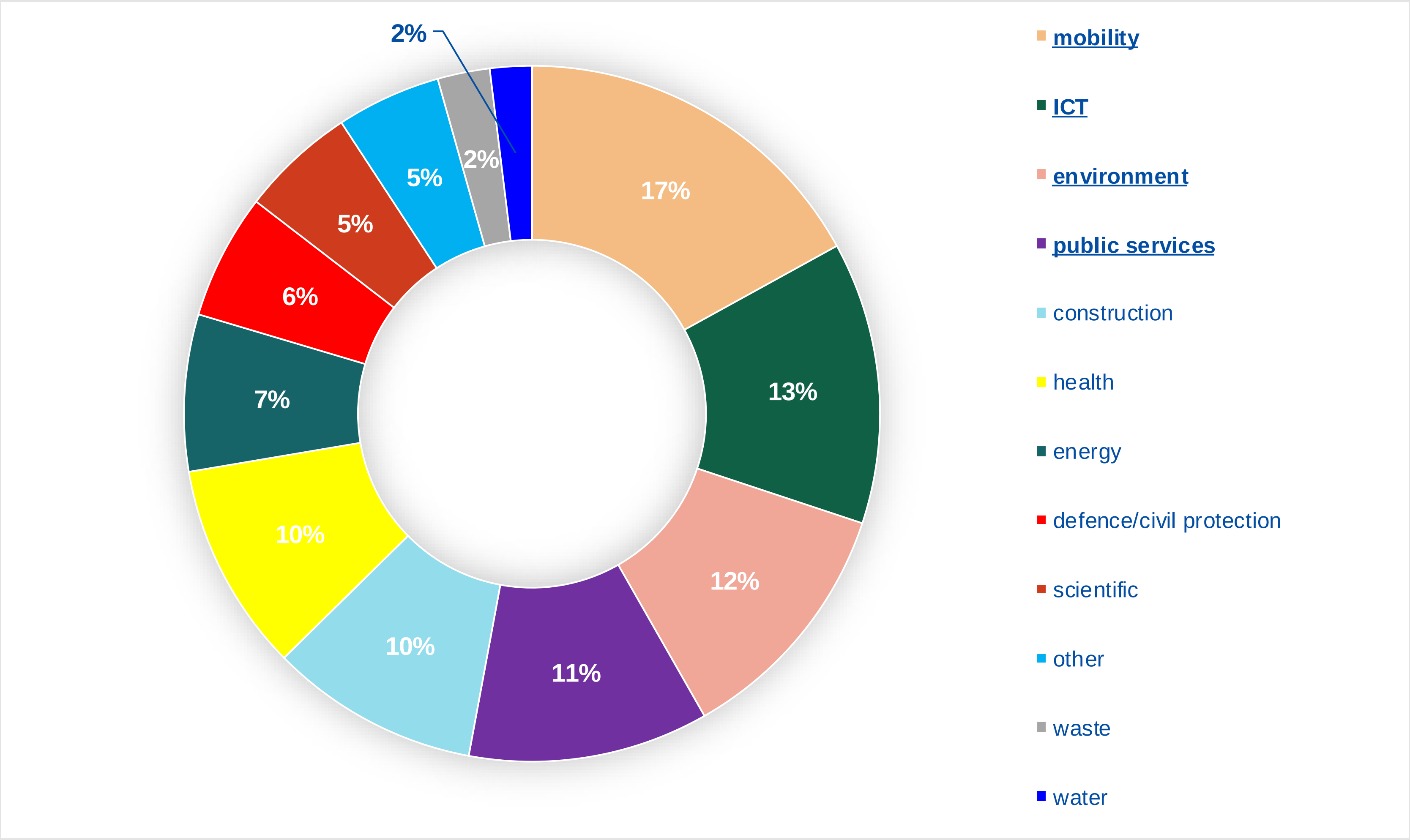
Total value of cross-border IP is 84m €, i.e. 4.6 % of total contract value *(in line with PP contracts in general)*

Two IP contracts have been awarded outside of the EU+EEA: Switzerland and India

CA's origin		Suppliers' origin
BE	→	DE, NL
CZ	→	SK
DE	→	AT, CH
DK	→	AT, SE
EE	→	FI
FI	→	ES, SE
FR	→	ES, BE
IT	→	AT, SI
NO	→	DK, IN
PL	→	FR

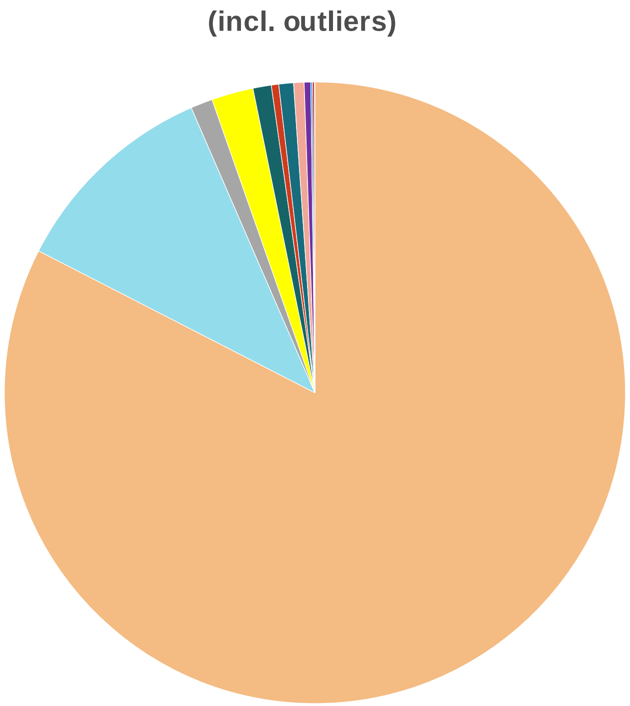
IP by Sector

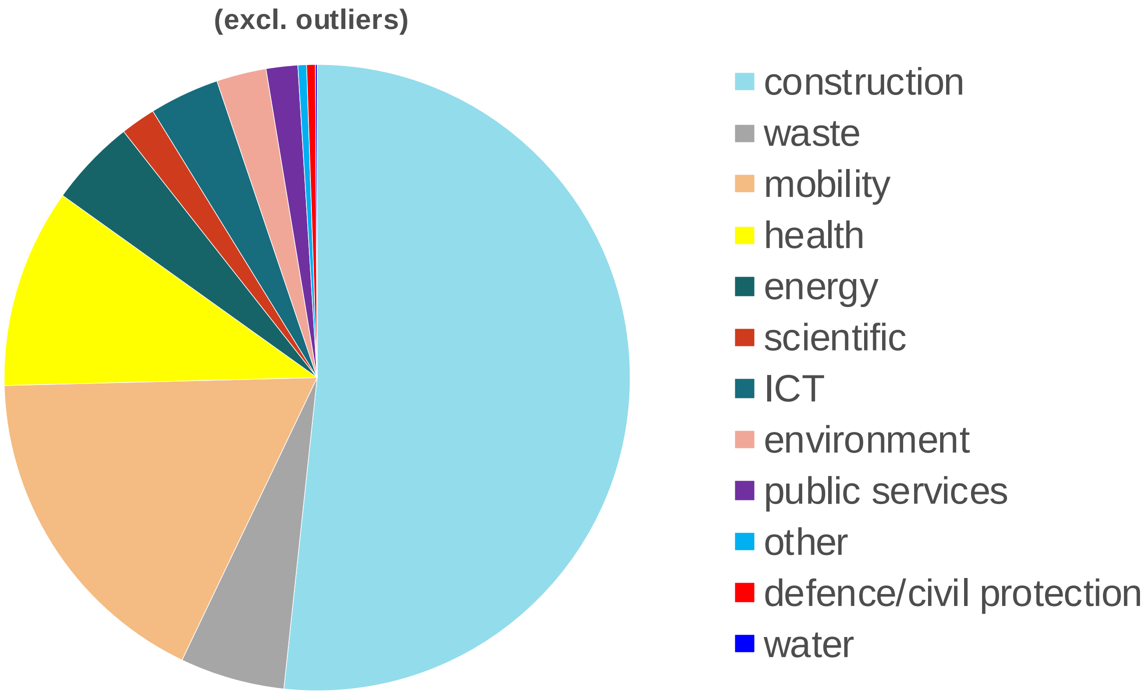
(based on the <u>number</u> of contracts awarded, incl. outliers)



IP by Sector

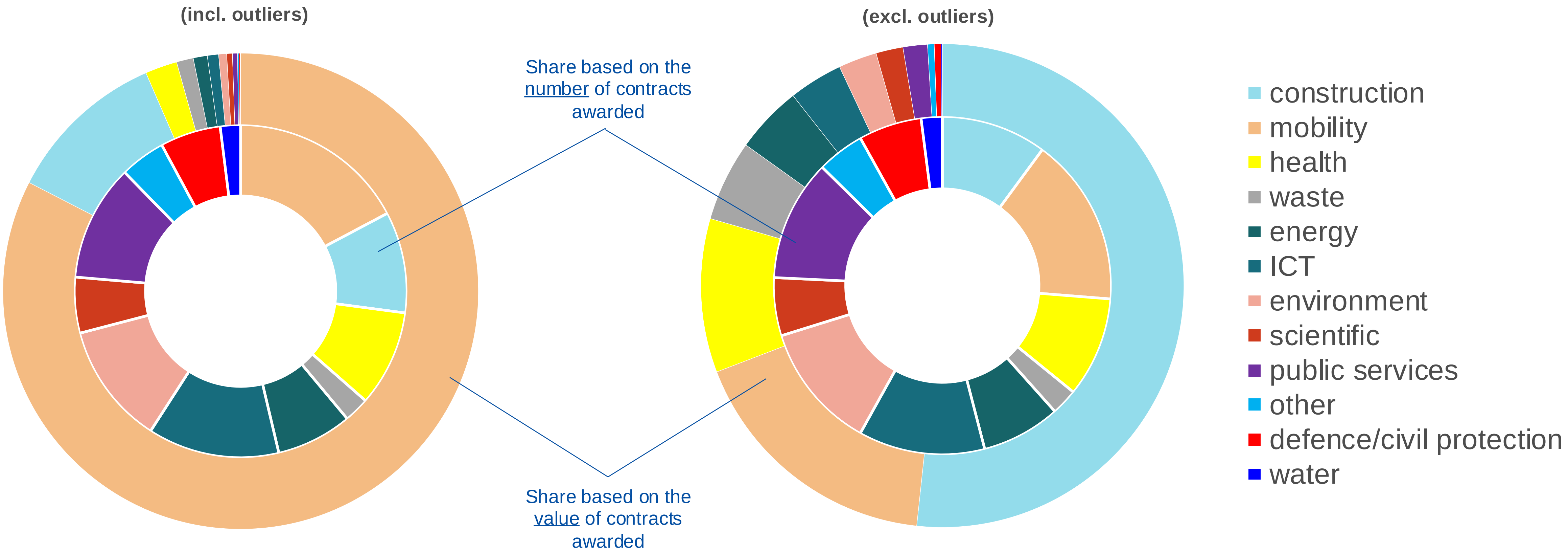
(based on the value of contracts awarded, incl. outliers)





Without outliers clearly the construction sector is ahead in total and average value, whereas including the outliers mobility is by far number one

IP by Sector

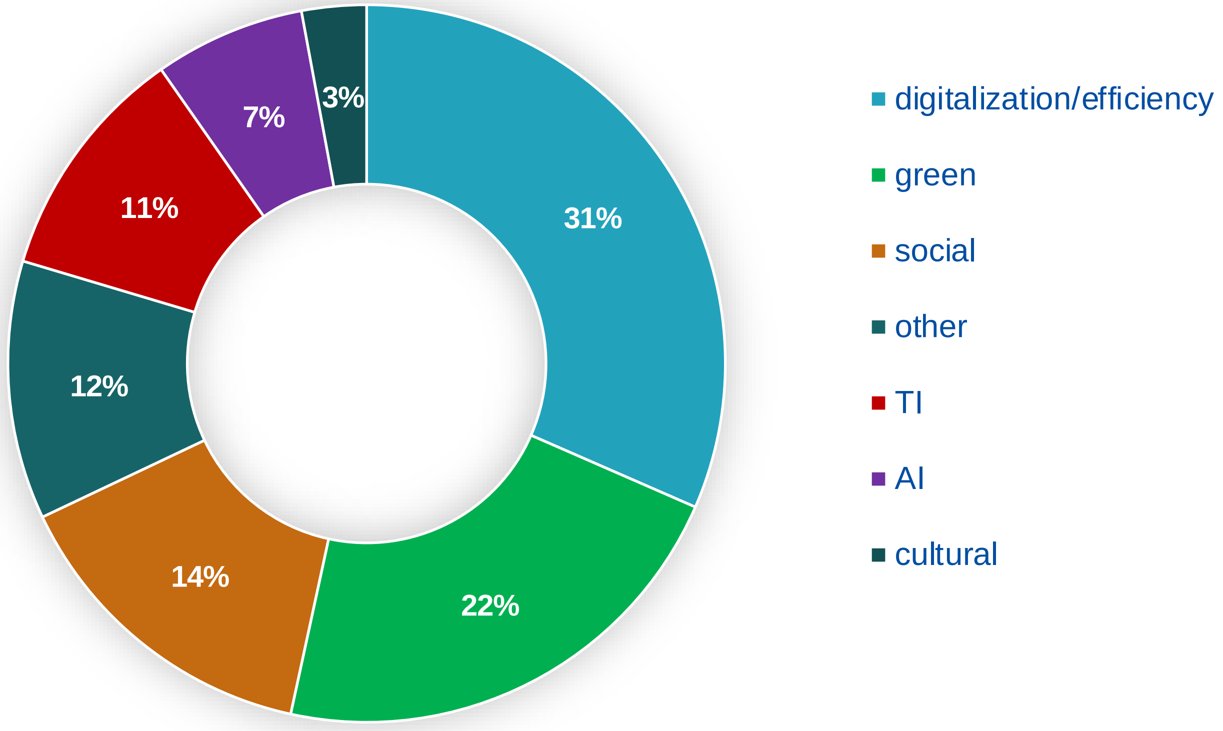


Without outliers, clearly, the construction sector is ahead in total value, whereas including the outliers, mobility is by far number one

IP by Policy Objective

(based on the number of contracts awarded, incl. outliers)

- We allocated the different cases in categories following the policy objective of the procurement
- “Green“ and “Digitalization“ result to be the most frequent types used

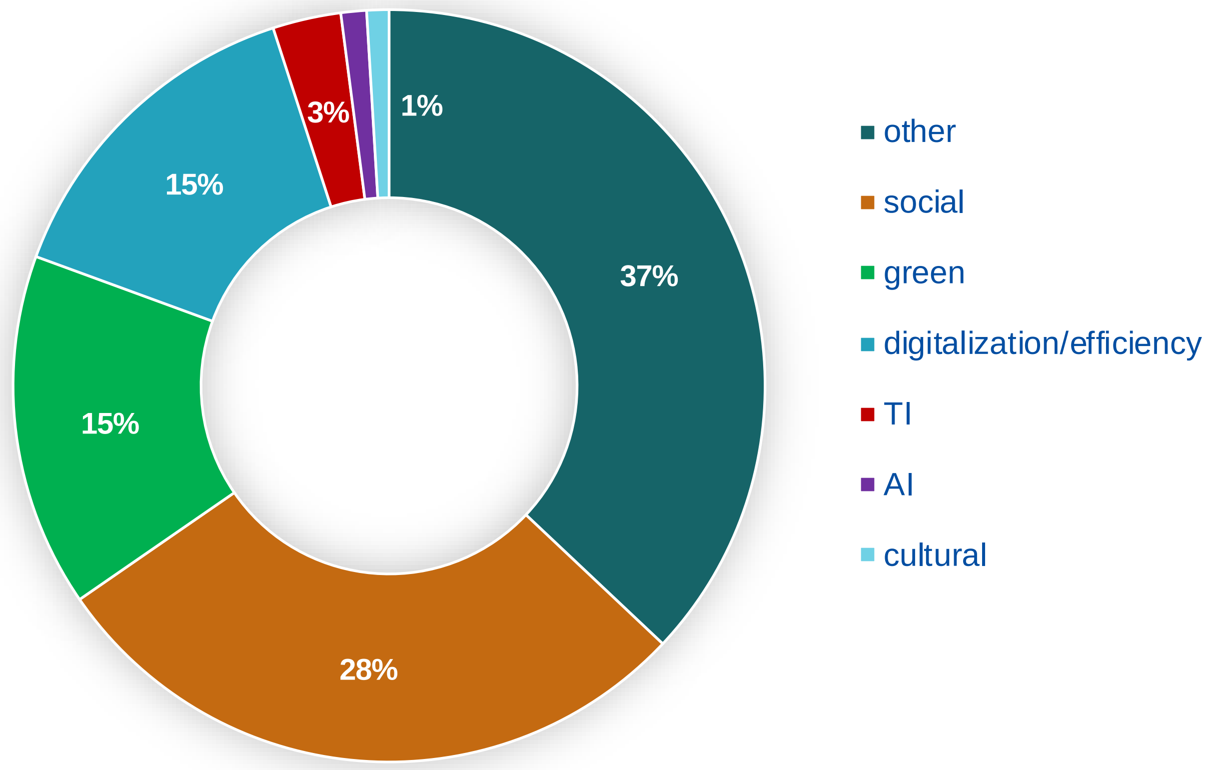


European Commission

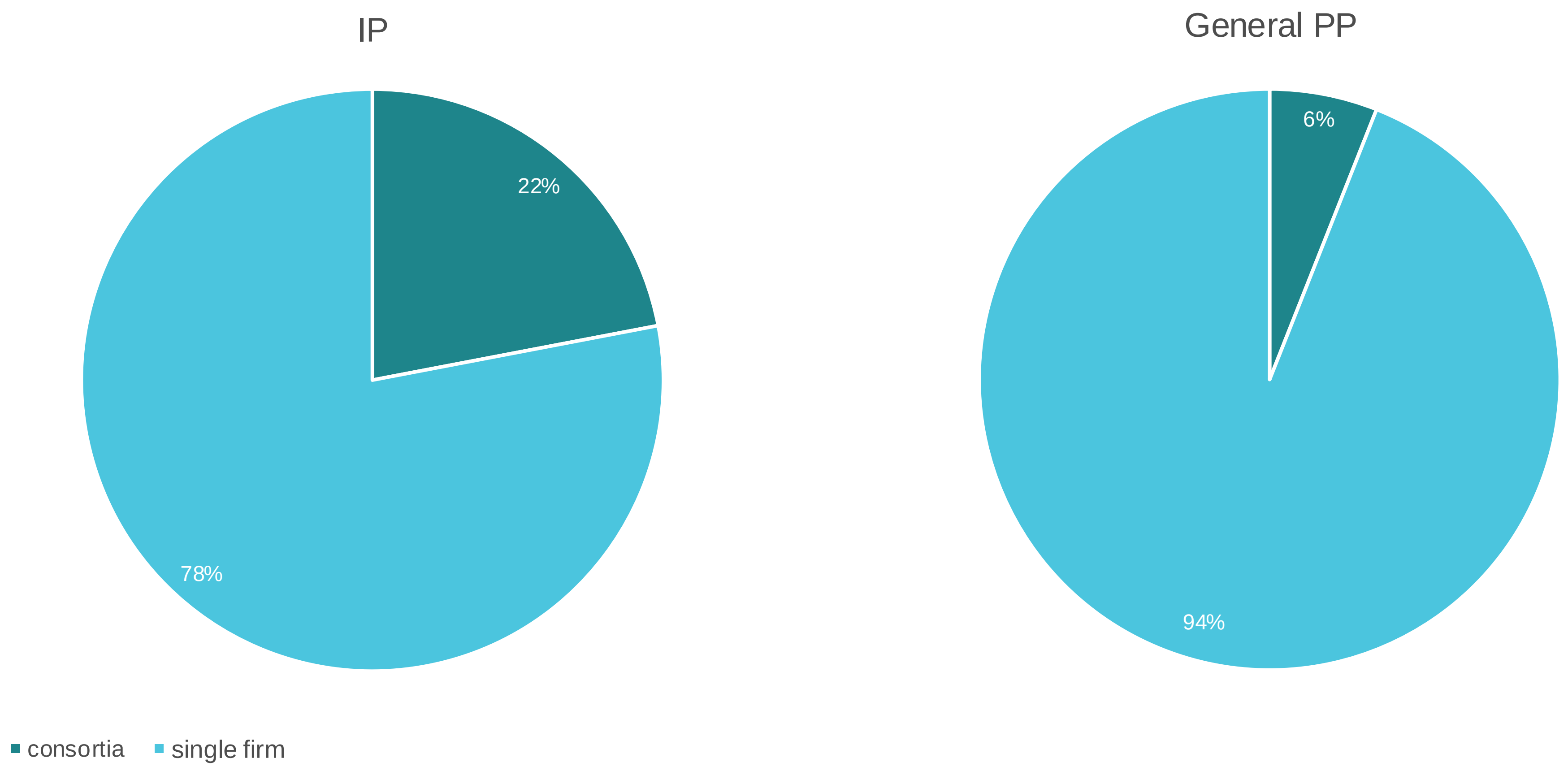
IP by Policy Objective

(based on the value of contracts awarded, excl. outliers)

- We allocated the different cases in categories following the policy objective of the procurement
- “Social“ resulted to be the main policy objective in terms of contract value after the more aggregated cluster “other”



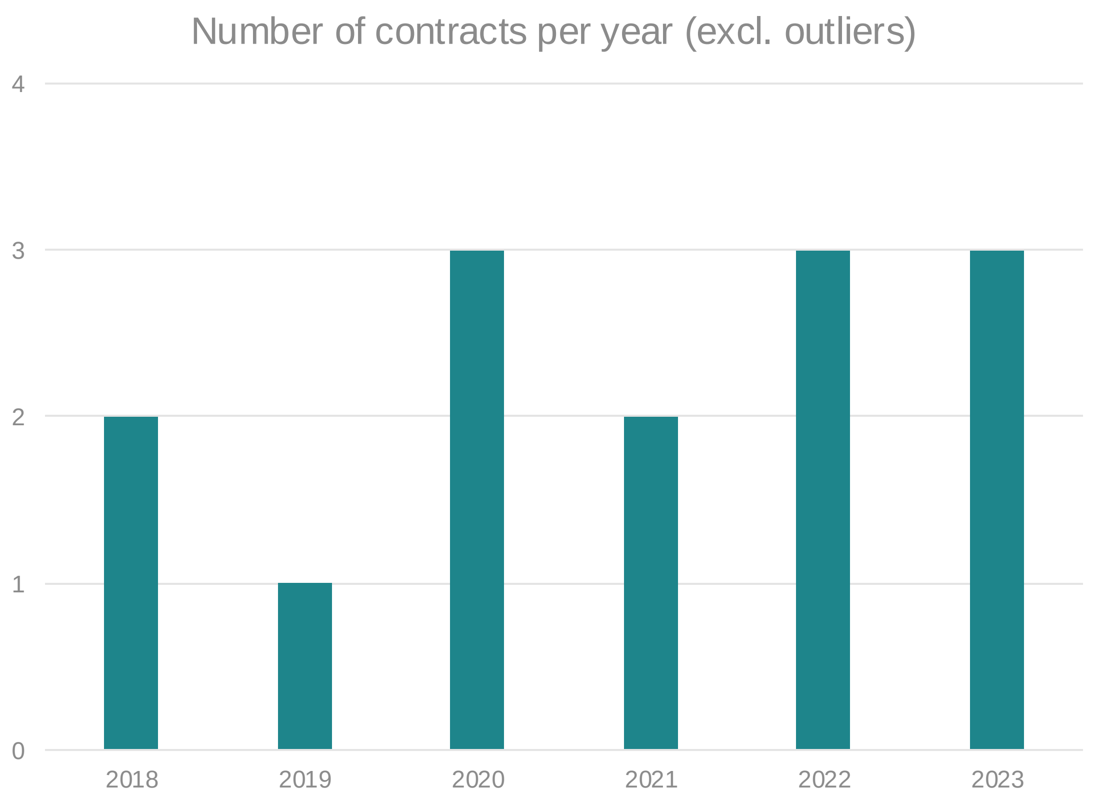
Consortia in IPs



22% of contracts were awarded to consortia *(compared to 6% for PP contracts in general for the period 2018-22)*

IP cases in AI

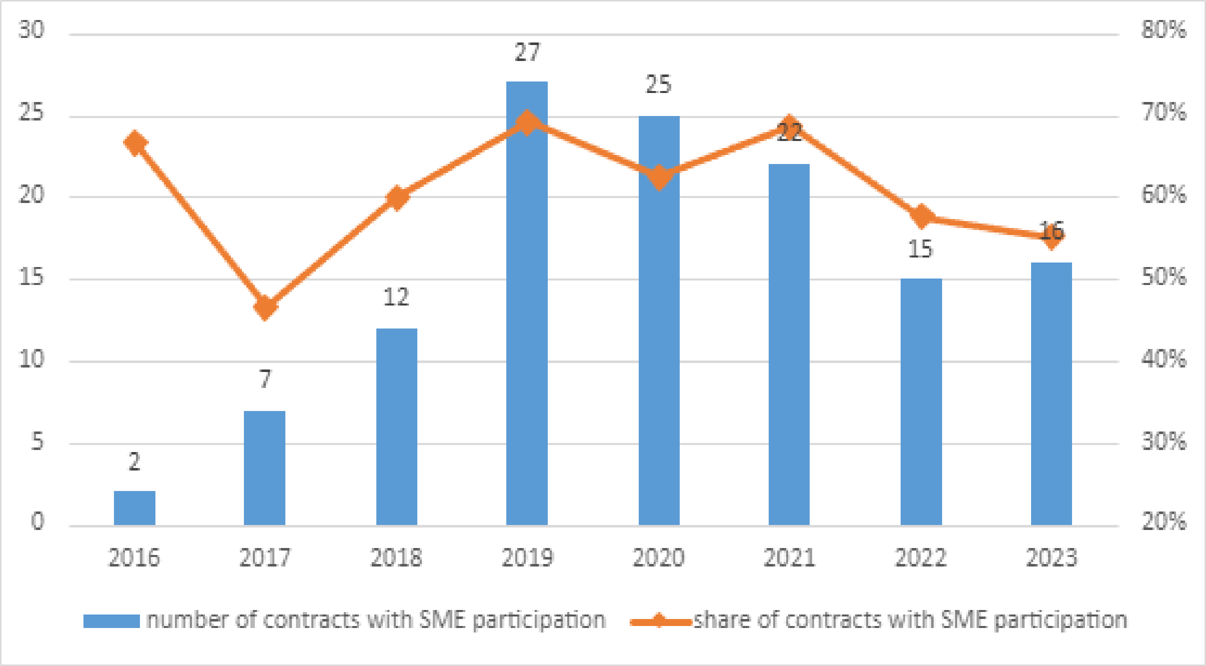
- 14 cases in which AI is at the core of the development of the new solution *(+40% compared to last year's overview*)
- AI only accounts for 1% of the cases based on contract value compared to 7% if based on number of contracts
- Countries: BE, CZ, DE, FI, FR, LU



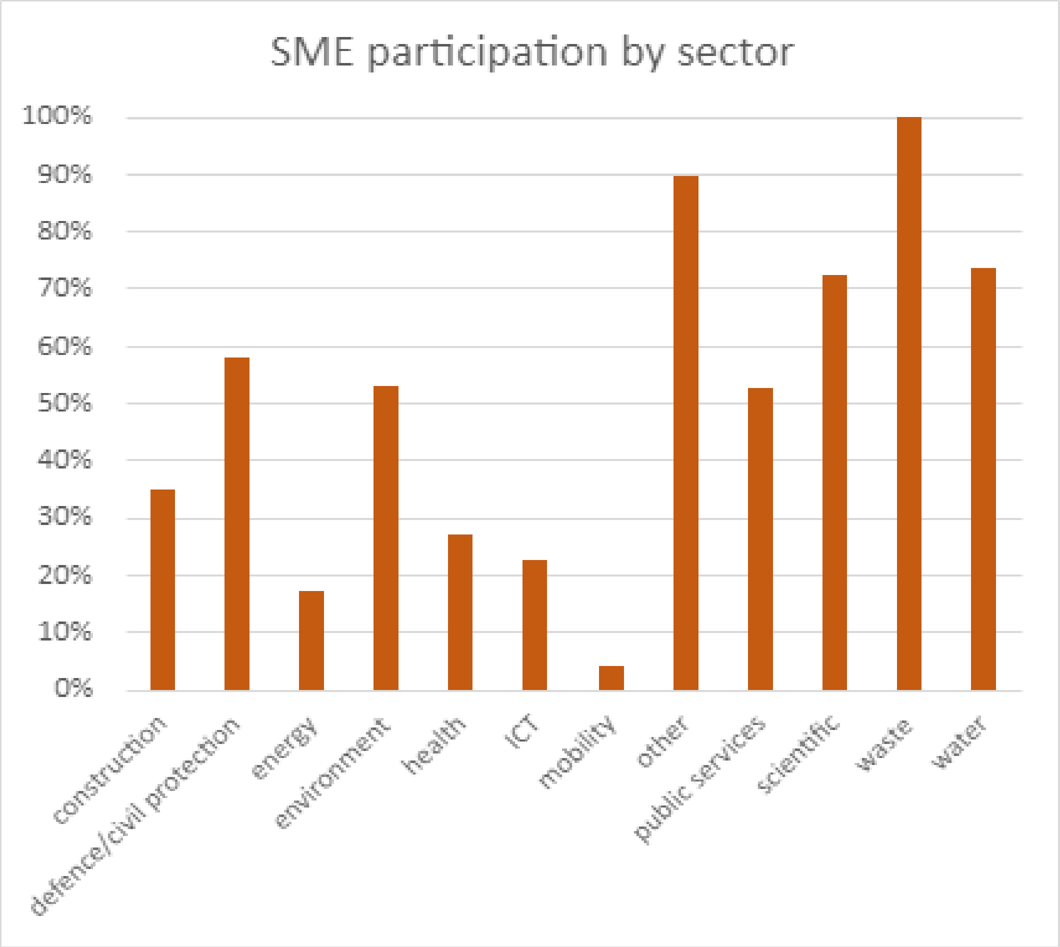
SME participation in IPs

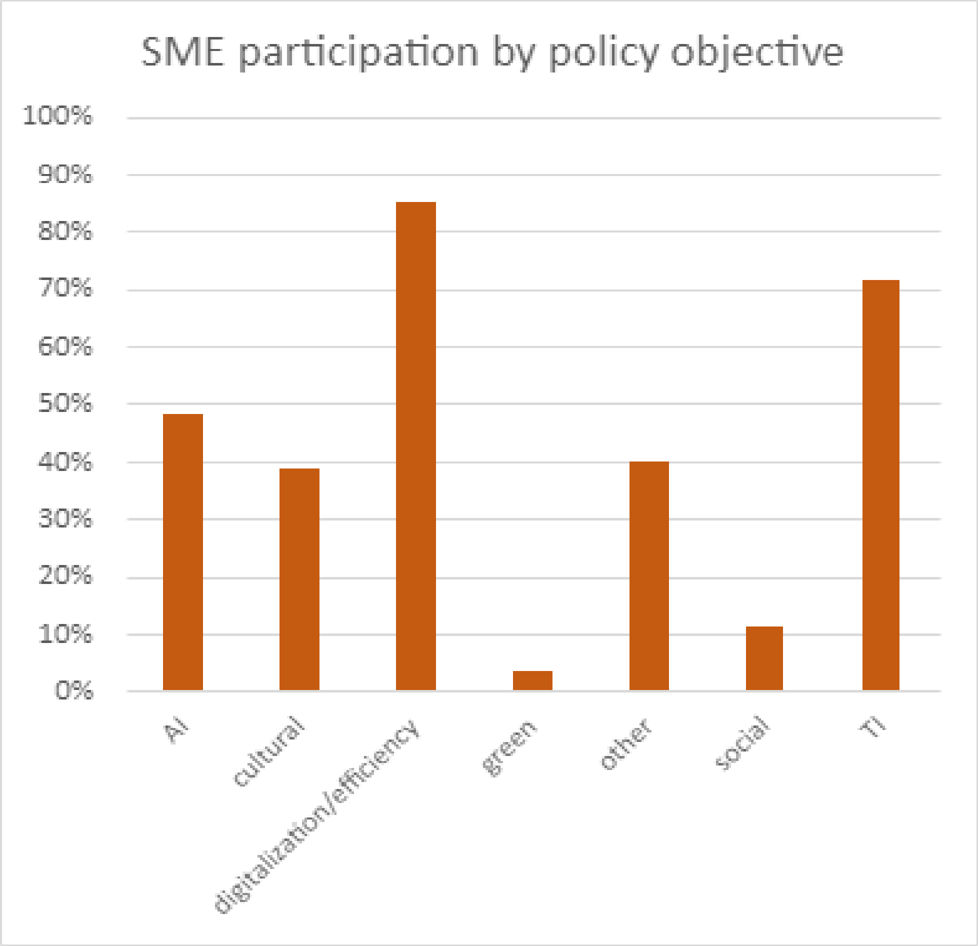
(based on the number of contracts awarded, incl. outliers)

- 126/199 contracts have been awarded with participation of SMEs (~63%)
- The number increased until 2019 falling since the pandemic, while the share of SME participations remained fairly stable
- Contract value awarded with SME participation: 834m € (62% of total value, excl. outliers)
- SME participation is distributed relatively evenly across sectors and mostly following the distribution of all contracts awarded by sector



SME participation in IPs
(based on the value of contracts awarded, incl. outliers)





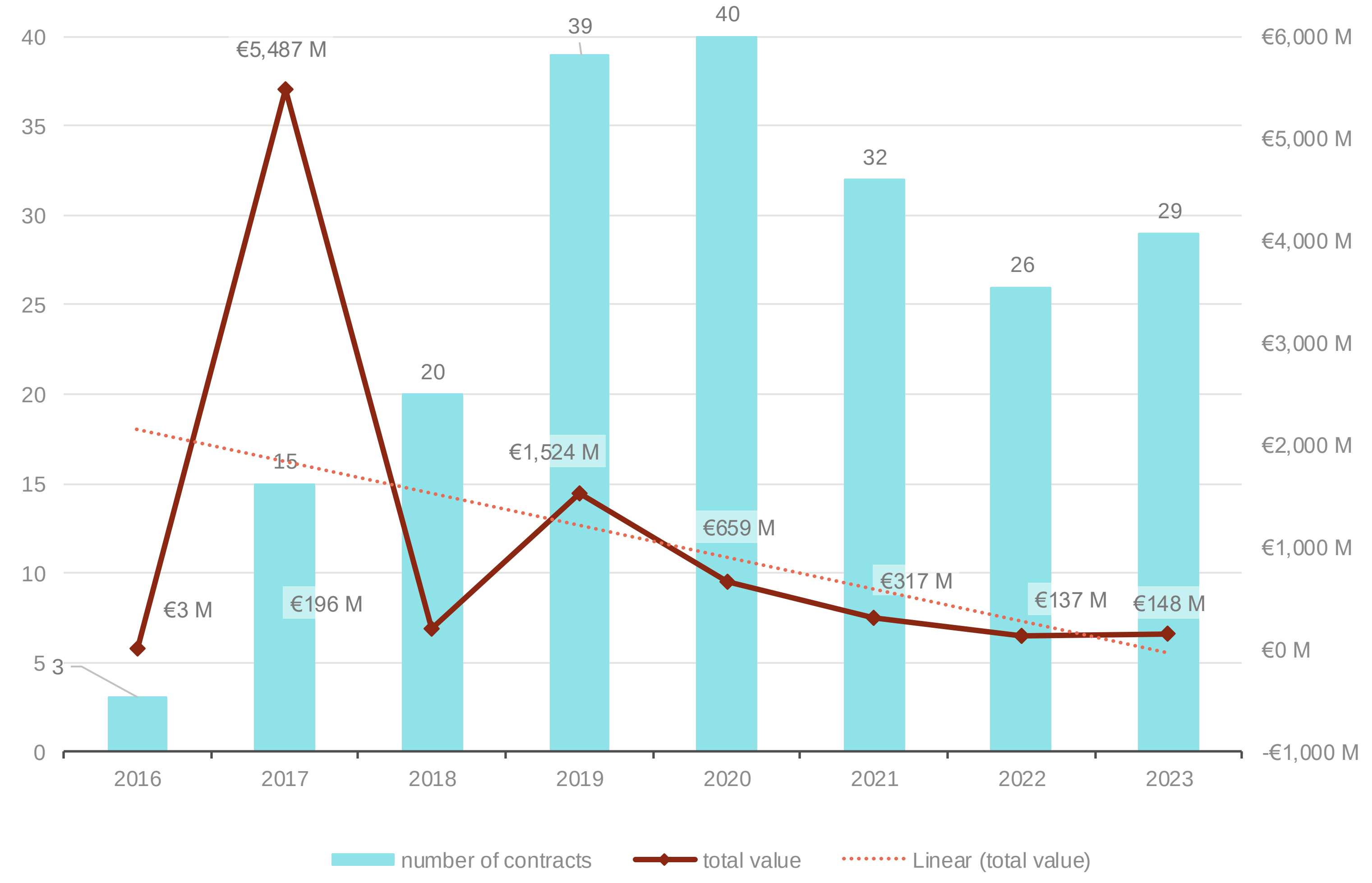
Thank you!

ANNEX

Assumptions & Conclusions

- We tried to depict the situation as accurately as possible; there are strong differences in value between the single contracts, ranging from <10.0000 € to over 5bn € for a single contract; this naturally distorts the graphs displaying the contract value, whenever sensible we therefore present graphs both with and without outliers.
- The assignment of a sector and policy objective is based on the (sometimes limited) information available in the CANs or CNs. The actual distribution may therefore differ to some extent.
- If 2 or more lots were attributed, those were counted as one case and the value was summed up.
- In the cases where there was not a CAN corresponding to a CN, we directly contacted the buyer. This procedure, carried out over the entire period, enabled us to add 39 cases to our dataset and include approximately 42m € more, in addition to cases identified by CANs.
- In very few cases, it is not straightforward to compute the value of an IP: contracting authorities might include different elements in the published contract value, some only including the R&D phase, some including the whole project costs; this might explain part of the big differences in value in the contracts observed.

Total value of IP contracts awarded
(excl. outliers)



European Commission