



Public Procurement of Innovation:

# ADOPTION & FUNDING OPPORTUNITIES IN SPAIN

Directorate for the Promotion of Business Innovation  
Directorate General for Innovation and Competitiveness

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**INSPIRE – EAPC**  
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## I. OBJECTIVES AND DEFINITIONS

### Aims:

- Public Services Improvement (effectiveness & efficiency)
- Increasing funding opportunities for entrepreneurial R&D&i
- Leveraging the commercialization of entrepreneurial innovations (Public procurer/Launch Customer)

### **Public Procurement of Innovation (PPI)\* / Compra Pública de Tecnología Innovadora (CPTI):**

- Public procurer – Launch customer. Closer to the market than PCP
- Objective: procure/deploy innovative good & services not commercially available.

### **Precommercial Public Procurement (CPP)\*\* / Compra Pública Precomercial (CPP):**

- Public procurer **share risks and benefits** jointly with suppliers **in market-conditions**
- Objective: **R&D services\*\*\*** linked to the needs of public services.

(\*) EC; “CORDIS: FP7: ICT: ICT:PCP”

(\*\*) E.C.; “Paper of the Services of DG Competition containing a draft framework for state aid for R&D&i”

(\*\*\*) Comprendido en categorías de I+D del marco comunitario de ayudas a la I+D+i. Excluyendo productos terminados salvo prototipos.



## II. RATIONALES

### □ Contribution to annual GNP [Order of Magnitude 10% - 20% (OCDE, EU/EUROSTAT...)]

i.e: (ES)  $\Delta$  +3% investing effort at AGE's\* level in PPI, amounts up to  $\Delta$  + 7,5% a 10% in R+D+i [x2]

i.e: (ES) Average public effort in **Health, Social and Educational** Services accounts for:[ $\approx$ 60-80% aprox.]

### □ Econometric estimations for Demand Side Measures' Impacts (PPI...):

#### ▪ PPI – Private Investment on R&D\*\*:

✓ **Increased likelihood of R&D investment** by private PPI's contractors: [x2]

✓ **Augmented private effort on R&D** by private PPI's contractors: [Correlation +]

#### ▪ Public Investment on R&D – Forward & backwards Linkages \*\*\*:

✓ **Demand side** (buyer – forward linkages) – **offer side** (seller – backwards linkages): [x10]

(\*) AGE: Administración General del Estado – Spanish National Administration

(\*\*) OCDE-2014. Cobb-Douglas modelling for private R&D effort

(\*\*\*\*) Universidad de Valencia 2008-2009; Serrano Domínguez et al.



## III. MULTI-STAGE APPROACH

### □ 1<sup>st</sup> Époque: 2010-2015

ERDF\* OP\*\* 2007-2013

- Legal and financial framework review and fine-tuning (several regulations passed\*\*\*: LES, LCTI; TRLCSP...)
- Design and implementation of the first batch of instruments:
  - ❖ PCP/PPI Guide
  - ❖ PCP/PPI Help-Desk
  - ❖ Financial Instruments (Innocompra & Innodemanda) Piloting Phase
  - ❖ Target setting and early KPI development

### □ 2<sup>nd</sup> Époque: 2015+

ERDF\* OP\*\* 2014-2020

- Legal and financial fine-tuning (**Innovation Partnertship, dedicated instrument within ERDF 2015-2020**)
- Ad-initio financial programming (**300-400 M€ envelope**) at national level
- Some regions also programming complementary PPI tools (**Galicia, Andalucía, Cataluña...**)

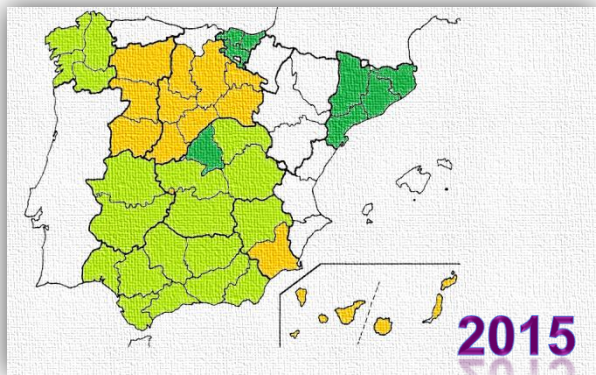
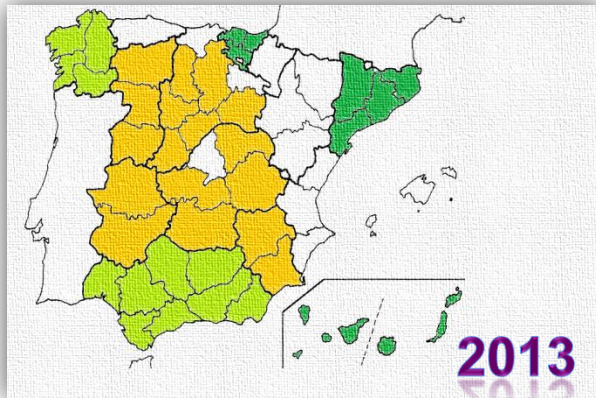
(\*) ERDF: European Regional AND Development Fund

(\*\*) OP: Operating Programme

(\*\*\*) LES: ley de Economía Sostenible LCTI: Ley de la Ciencia la Tecnología y la Innovación TRLCSP: Texto Refundido de la Ley de Contratos del Sector Público

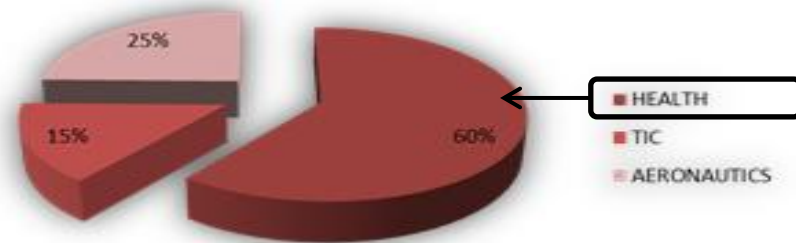


## IV. 1<sup>ST</sup> ÉPOQUE EMPLOYMENT



### 1<sup>ST</sup> WAVE ACTUATIONS APPLYING EDRF [2011-12]:

- Other uses (INNODEMANDA (8+), FPVII, CIP, H2020...)
- ERDF Operations 12 (aprox. 170 M€)



### 2<sup>ND</sup> WAVE ACTUATIONS APPLYING EDRF [2013]:

- ERDF Operations 10 (aprox. 80 M€)

## IV. 2<sup>ND</sup> ÉPOQUE FORECAST

### ☐ 2015-2020 Funding Opportunities

- H2020
- ERDF National OP (**300 M€ aprox.**) + ERDF Regional Ops
- National and regional funds (expected for innovative solutions deployment)



### ☐ 2015-2020 Advanced Portfolio:

(early estimates)

- **Health Programme [FID-SALUD]:**
- **Security Programme [FID-MIR]:**
- **Other Programmes**

**130+ needs identified; 19 Public Procurers**

**40+ needs identified; 5 Public Procurers**

**45+ needs identified**