Building Back Better: innovation enhancing procurement

UNECE Webinar

October 23, 2020

Jon Mikel Zabala-Iturriagagoitia
jmzabala@deusto.es
Deusto Business School, University of Deusto

Rationale

Innovation Enhancing Procurement (IEP) is a demand-side policy instrument.

The objective (purpose, rationale) of IEP is not to enhance the development of new products, but rather:

- To satisfy human **needs**, and/or
- To solve societal **problems**.

IEP can be used to solve problems and satisfy needs related to the *environment, climate, energy, urban development, health, transports, defense,* etc.

- It has a large potential as a part of **mission-oriented** policies to mitigate **Grand Challenges** (i.e. SDGs).

Challenges

IEP must not be confused with ordinary (‘off-the-shelf’) regular procurement.

Innovation is plagued by uncertainty.

Constrain: competence building among public servants.

- Lack of capacities within the public sector to deliver IEP
- Professionalization
- Capacity building

He loved to dream about the future. But never more than 11 minutes into the future.

Capacity building (I)

Clear political mandate	IEP needs to be regarded as a key and necessary stage of policy formulation and implementation (i.e. readiness to risk sharing).
Awareness	Create awareness on the importance of IEP (i.e. create an innovation- friendly climate, implement service centers on IEP who provide guidance).
Qualified staff	Expert knowledge of measures, tools, regulations and directives related to IEP (e.g. lyfe-cycle-costing approach, total cost of ownership, procedures and directives).
Regularity	Possibility to use IEP to address policy goals on a regular and systematic basis. Integrate IEP with other policy instruments.
Future demand	Competences and knowledge needed to identify future demands for innovation in a strategic context (e.g. execute market analysis, forecasting).
Specifications	Develop functional specifications and translate them into technical specifications (in dialogue with various stakeholders).

UNECE

Capacity building (II)

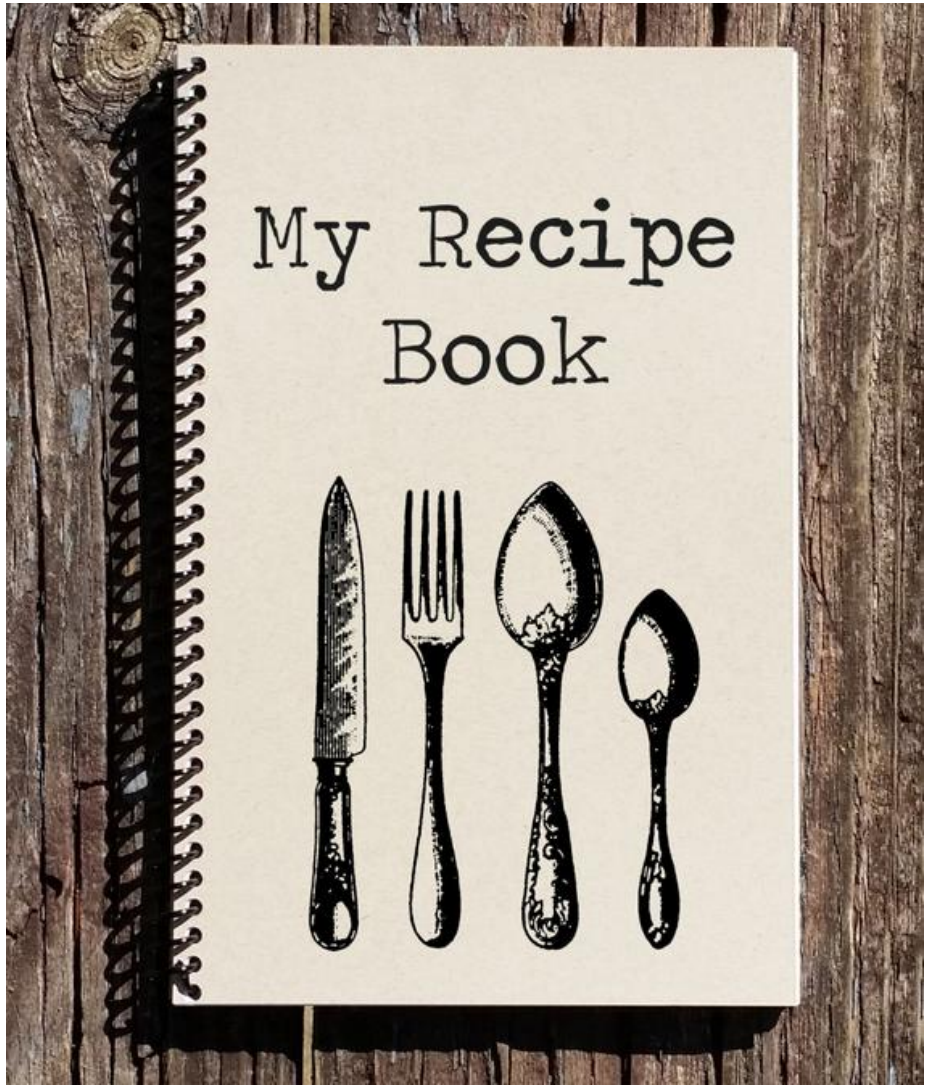
Coordination	Coordinate IEP initiatives at national, regional and local levels (i.e. bundle fragmented demand).
Information systems	Availability of an information systems (e.g. e- platforms) with all project records. Acquisition, validation, management, use and analysis of data.
Data handling and methods	Large scale data handling and analytics. Routines to collect and analyse qualitative and quantitative data sets.
IPR	Specific training on the management of intellectual property rights.
Policy learning	Identify corrective actions as a result of evaluation exercises to improve policy implementation.
Knowledge networks	Create networks with other countries to mutually learn and improve policies.

UNECE

Conclusions

Adaptation to the conditions of each country is required!!!

<u>National Competence Centres</u> (one-stop-shops) key!



Conclusions

PROCURE2 INNOVATE

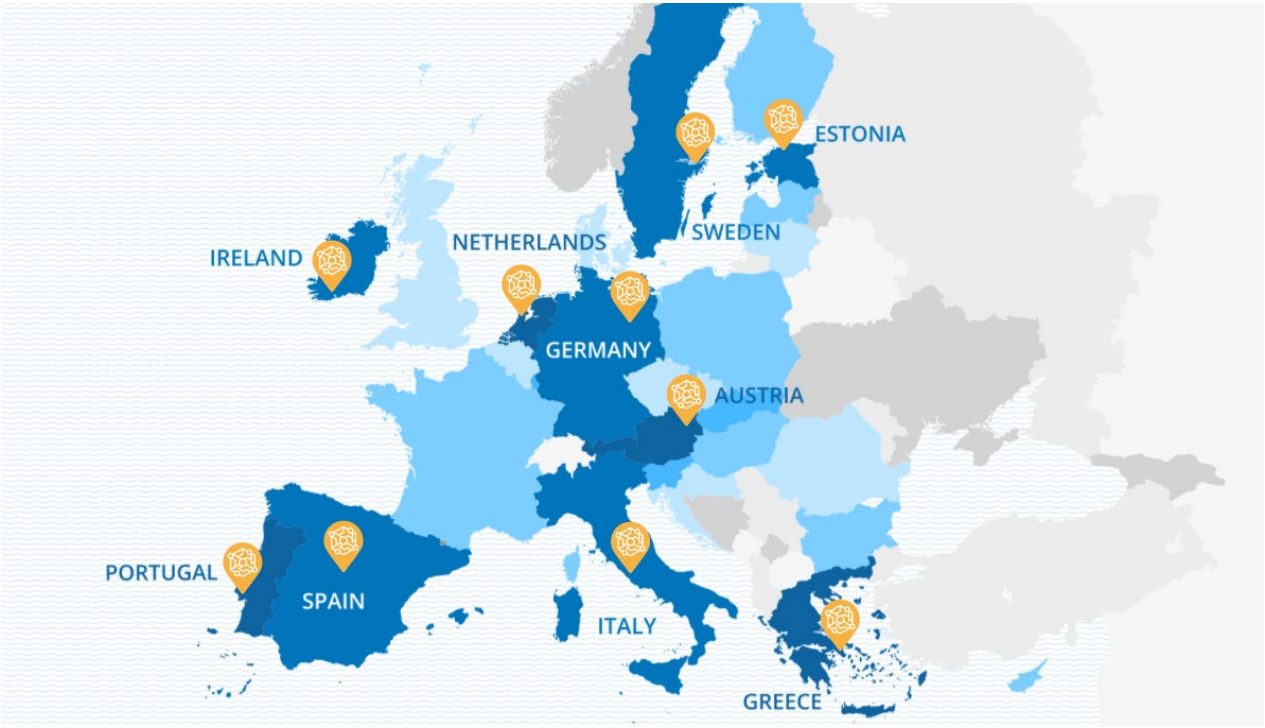
A truly European network

- Five existing competence centres:

Austria, Germany, the Netherlands, Spain and Sweden

- Five new competence centres:

Estonia, Greece, Ireland, Italy and Portugal



UNECE