

# PPPI · Notes

## Public Procurement Promoting Innovation

December 2012

## THE AUSTRIAN PPPI STRATEGY PROCESS 2011/12

Public procurement promoting innovation (PPPI) is seen as an important demand side policy instrument on the European level as well as on national levels. The European Commission confirms this amongst others in the strategy 'Europe 2020' (EC 2010) and the Austrian Government in the 'RTI Strategy' (BKA et al. 2011). PPPI includes:

- public procurement of innovation (PPI)
- pre-commercial procurement of R&D (PCP)

To facilitate a proper implementation of PPI and PCP in Austria, a national 'PPPI Action Plan' was developed in 2011/12.

### PPPI ACTION PLAN: STAKEHOLDER

In April 2011, a stakeholder process was launched to formulate an Austrian PPPI Action Plan. Process owners were (and still are) cooperatively the Ministry of Economic Affairs (BMWFJ) and the Ministry of Transport, Innovation and Technology (BMVIT) on the basis of a PPPI governmental agreement (BMWFJ/BMVIT 2011). The design of the stakeholder process followed a functional approach (fig. 1).

Functional approach means hereby that policy makers, public procurers, and industrial suppliers had the opportunity to discuss and identify opportunities and barriers of PPI & PCP from their specific perspective. These three specific perspectives were accompanied by a working group considering benchmarking/data issues. On basis of the outcome of these four working groups, the framework for an integrated policy mix was elaborated in a discussion forum which resulted in a catalogue of specific measures.

The strategic framing of the stakeholder process was provided by the PPPI Task Force. Following the traditional Austrian social partnership principle, it included not only key procurers (e.g. state/provincial governmental bodies, Austrian Motorway and Expressway Corporation ASFINAG, Austrian Federal

Railways ÖBB, Federal Real Estate Company BIG, Energy AG VERBUND, Federal Postal Services POST) and intermediaries (e.g. Austrian Research Promotion Agency FFG, Austrian Economic Service AWS, Austrian Standards Institute ASI), but also key federations (e.g. Austrian Economic Chambers WKÖ, Federation of Austrian Industries IV, Austrian Chambers of Labor AK, Vienna Hospital Association KAV) and leading firms. The operative responsibility was assigned to a steering group consisting of the process owning ministries (BMWFJ, BMVIT) and experts (Federal Procurement Agency BBG, Austrian Institute of Technology AIT).

All together, more than 90 stakeholders participated in the PPPI strategy process that will also be included in the PPPI implementation process.

### PPPI ACTION PLAN: POLICY MIX

The resulting document 'Austrian Action Plan: Public Procurement Promoting Innovation' (BMWFJ/BMVIT 2012a) aims at the increase of the share of innovation-related public procurement in Austria. This goal will be achieved by a policy mix comprising four dimensions.

- **STRATEGIC DIMENSION:** Political support for the step-by-step introduction of innovation related procurement plans in public entities.
- **OPERATIVE DIMENSION:** Provision of services & platforms via the establishment of a 'PPPI Service Centre' and 'Thematic PPPI Competence Centres'. Establishment of (thematic) PPPI programs.
- **LEGISLATIVE DIMENSION:** Amending the procurement law to include innovation as an explicit issue.
- **IMPACT DIMENSION:** Establishment of an innovation procurement monitoring and evaluation system.

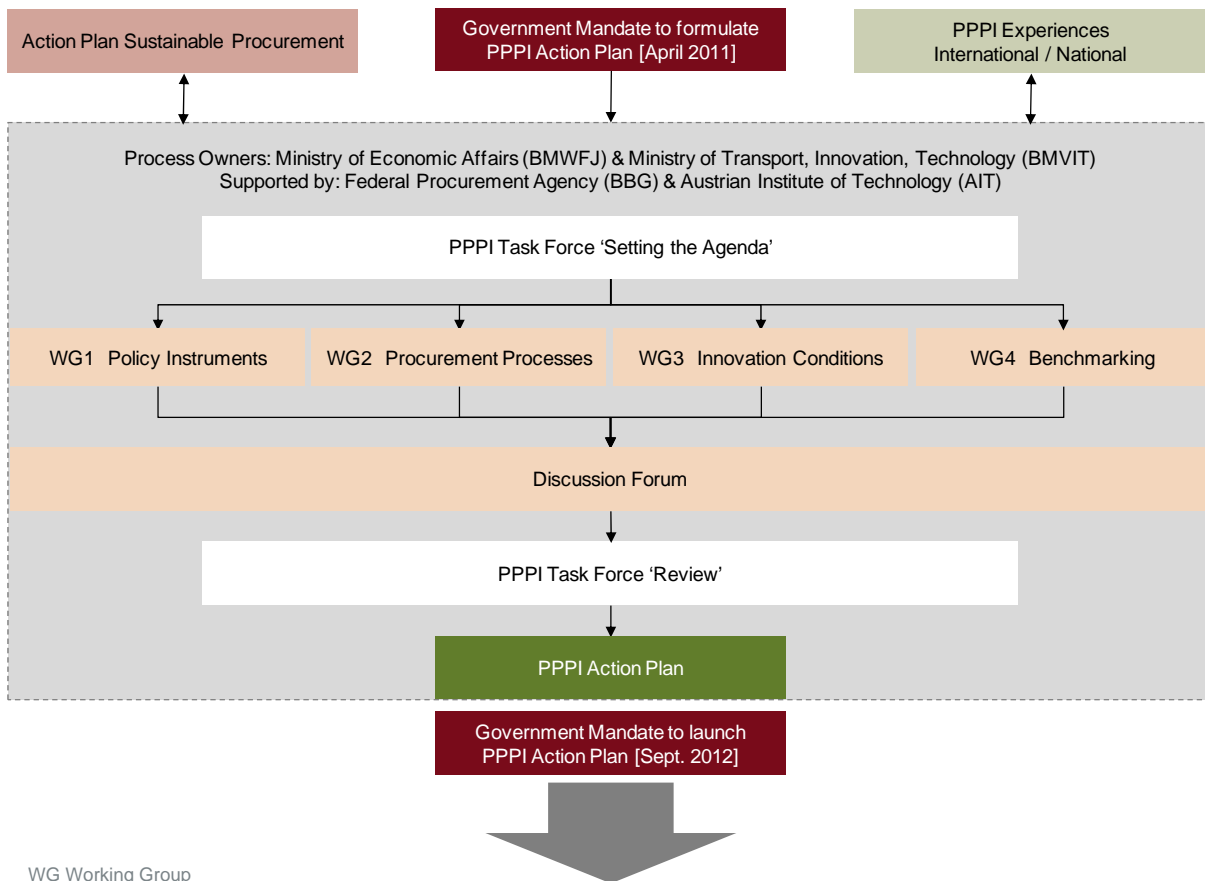


Figure 1: Architecture, dates/mandates of the stakeholder process, designed to formulate the Austrian PPPI Action Plan

## ACHIEVEMENTS 2012

The Austrian PPPI Action Plan has been successfully completed. The implementation of the PPPI Action Plan was mandated in September 2012 by the Austrian Government (BMWFJ/BMVIT 2012b) and the relevant stakeholders participated actively in the process and exemplified their commitment to the Action Plans measures.

Arguably, it could be suggested that the stakeholder process required more time (16 instead of 12 months), and that not every goal formulated in the working groups found its way into the action plan. However, both shortcomings are to be anticipated due to the complexity of the issue, the strictness of the legal framework and the financial constraints.

The stakeholder commitment resulted already in 2012 in a PCP pilot and in several PPI awareness initiatives (see outlook).

BKA et al. (2011) Strategy for research, technology and innovation of the Austrian Federal Government. Vienna.

BMWFJ/BMVIT (2011) Vortrag an den Ministerrat: Entwicklung eines österreichischen Leitkonzeptes für eine innovationsfördernde öffentliche Beschaffung (IÖB). Wien.

BMWFJ/BMVIT (2012a) Leitkonzept für eine innovationsfördernde öffentliche Beschaffung (IÖB) in Österreich. Wien.

BMWFJ/BMVIT (2012b) Vortrag an den Ministerrat: Umsetzung des österreichischen Leitkonzeptes für eine innovationsfördernde

## OUTLOOK

The implementation of the PPPI Action Plan started immediately after the governmental PPPI agreement and it has been positively received.

- A PCP pilot, which was launched in 2011, is now approaching its second phase (ÖBB/ASFINAG/BMVIT/FFG 2012). Further PCP pilots are in preparation.
- PPPI Awareness activities have been set up (PPI Workshop March 2012, PPPI & Sustainability Conference October 2012, PPI Good Practice Brochure) and further are in the planning process.
- The establishment of the PPPI Service Centre & PPPI Competence Centres have already begun.
- The amendment of the procurement law as well as the PPPI monitoring & impact evaluation scheme are taking shape.

öffentliche Beschaffung. Wien.

ÖBB/ASFINAG/BMVIT/FFG (2012) Transport infrastructure research VIF. Vienna.

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