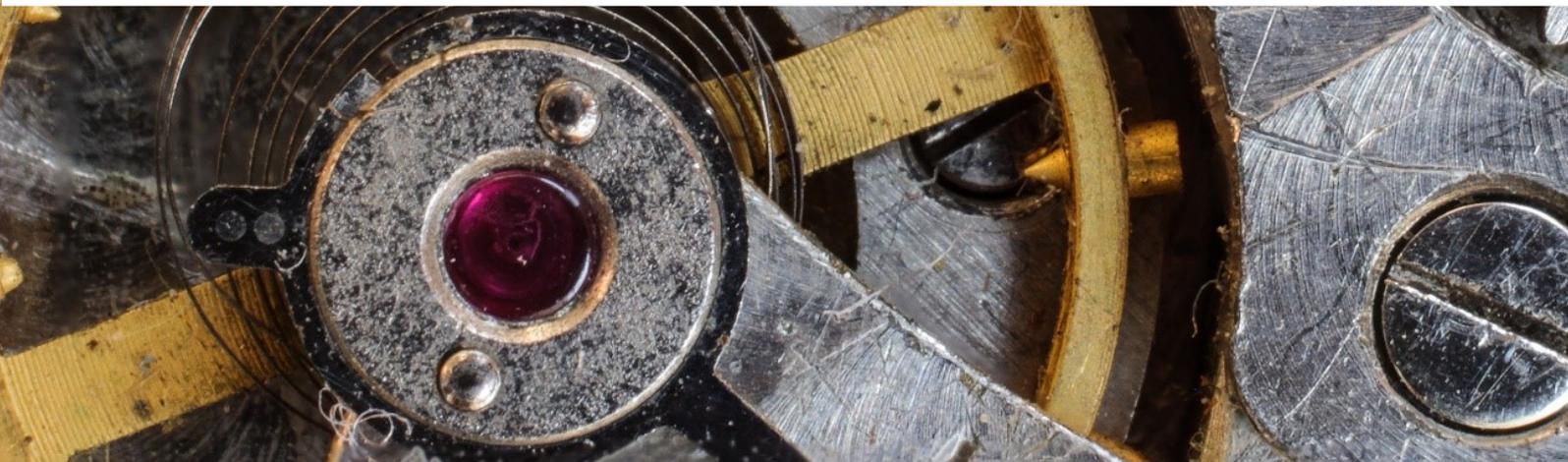




***iBuy - Fostering the role of public authorities as  
demanders of innovation through public procurement***

# **Action Plan for Tampere Region**





# Introduction

In the big picture there is a need to modernize the regional economy and renew its structures. This is related to the constantly evolving world of ecosystems. The aim of this Regional Action Plan is to develop the capabilities and resilience of public organisations and the cooperation between public organizations and companies. In practice the target is to bring innovative public procurement (IPP) as part of the strategic planning and decision-making processes in the public sector. The Council of Tampere Region together with the iBuy project partner the Baltic Institute of Finland want to develop new mechanisms to public administration that procure, invest and distribute public funding.

The Council of Tampere Region sees the need to enhance the use of ERDF instrument. The Council wants to improve their own internal processes and interaction with the regional project actors, and strive to achieve better and more effective projects with links and visibility to other actors, and promote learning from others. At present, very few purchases are made in the projects, and if done, they are done in very traditional ways. The procurement rules of the Structural Funds Program are quite strict which declines the motivation to try innovative ways in public procurement. Utilization of IPP and e.g. agile experiments, pilots or market dialogue in ERDF projects require encouragement and new mindset from both financier and implementers.



# Part I – General information

<b>Project</b>	Fostering the Role of Public Authorities as Demanders of Innovation Through Public Procurement “iBuy”
<b>Partner organization</b>	The Baltic Institute of Finland
<b>Country</b>	Finland
<b>NUTS2 region</b>	Western Finland
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## Part II – Policy context

The Action Plan aims to impact:

X Investment for Growth and Jobs programme

European Territorial Cooperation programme

Other regional development policy instrument

Name of the policy instrument addressed:

**National Programme of European Structural and Investment Funds of Finland, Growth and Jobs 2014-2020, priority axis 2, Producing and using the latest information and knowledge (ERDF)**

The Managing Authority (MA) of the Policy Instrument is the Council of Tampere Region. The original policy instrument that was chosen for the project was the Sustainable Growth and Jobs 2014-2020 Priority axis 1: Competitiveness of SMEs from within the National ESIF Programme of Finland. However, during the project implementation it was found out that the particular Priority axis and the funding that will be allocated through it was targeted straight to companies and strictly to their development activities. The possibilities of the iBuy project to influence in the Priority axis 1 was seen to be very limited. The proposal to change the Priority axis 1 in to the Priority axis 2: Producing and using new information and knowledge was approved by the Interreg Europe secretariat in spring 2020.

The funding from the policy instrument may be granted for e.g.:

- Research, development and innovation activities in infrastructure improvements that promote regional economies.
- The promotion of international RDI co-operation among universities, higher education institutions, research institutions, vocational institutions, general government actors and enterprises.
- SME product, service and production method development, piloting, commercialisation and adoption of new technologies.
- The development of operating, service and commercialisation processes.



## Part III – Details of the actions envisaged

### Action 1: Mention of IPP in the ERDF call text

#### Background

The Managing Authority (MA) of the Policy Instrument is the Council of Tampere Region who has also been very active participant in iBuy-related events and assisted the Baltic Institute of Finland to implement the project on regional level. The Baltic Institute of Finland and the Council of Tampere Region jointly discussed whether it would be possible to go through the procurement instructions or even stretch the selection criteria of the projects in order to encourage ERDF project actors to implement IPP in the funded development projects. So far, the MA has had strict interpretations of project in terms of procurements. Project actors have been rational and few procurements have been made in the projects. Guidelines should be reviewed if expert services or applied research are to be procured.

The Council of Tampere Region realized that if the procurement aspect want to be strengthened in the selection criteria of the last ERDF call, it would need a revision of the instructions and go through a heavy administrative process on the administration and political level in the region. The MA also felt that the new Government Program would support initiatives related to the IPP. The MA is also actively involved in the preparation of the new EU programming period 2021-2027 on national level. The new Operational Programme, which is still under approval process, highlights the need to increase the use of IPP in ERDF-funded projects.

In the iBuy project, the main driver to change has been the work done in the Regional Stakeholder Group (RSG). Constantly changing regional innovation ecosystem puts pressure to find new ways and tools to develop innovations, and the discussions amongst the RSG has pointed out that the regional policy instruments are one way to support the regional innovation potential. The best practices related to PRONTO project, Pre-commercial Procurement LT and Canary Islands' Geo Innovation Program 2030 inspired the MA to develop the regional policy instrument and changes related to it.



## Action

In the beginning of 2020, the MA and the Baltic Institute of Finland were considering how new possible selection criteria could be added to the funding call and how binding the criteria could be. However, regarding the call, the MA ended up with a solution in which the use of IPP was encouraged to be implemented, but that it will not be a selection criteria as such. The call focused on artificial intelligence and development of innovation environment. The call text was published 13<sup>th</sup> of December 2019 and it stated that IPP could be one tool of seeking innovative solutions in projects that will be approved. The call ended in the end of March 2020 and produced 17 applications out of which 7 were approved for funding.

## Players involved

The action involved people from the Council of Tampere Region and from the Baltic Institute of Finland.

## Timeframe

The call ended in the end of March 2020. Seven projects were approved and the projects start their activities in the beginning of 2021. There is no public information available on how different IPP methods are utilized in the projects. The approved projects and their public procurement activities are followed and monitored closely in the Phase 2.

## Costs

No additional costs were needed. The amount of funds to be allocated to projects funded in this call was 2,8 M€ from the current Operational Programme.

## Funding sources

No additional costs were needed. The amount of funds affected by this improvement was 2,8 M€.



## Action 2: Capacity Building for Various Actors Working with ERDF-funded Projects

### Background

MA's active involvement in the project implementation has led to recognition that IPP would be a suitable tool for many EU-funded projects in the region to search for concrete solutions to challenges. However, know-how, courage and incentives are missing both from financier and project implementers.

Project actors should be able to plan possible innovative procurements already when planning to apply for ERDF funding. There is a shortage of good examples and hence a lack of understanding of the benefits of utilizing the IPP. The rules of the Structural Funds Program do not limit the implementation of IPP, but there is rather poor knowledge of procurement law in general and therefore the incentives are lacking. The use of IPP may be hampered by the desire to receive payroll for as many staff members in the organisation as possible. However, project activities should not be about supporting the actor but about finding new pioneering solutions. An important question to consider is: Why in some cases IPP may be a better or complementary model to organization's expertise? The financier, in turn, should be able to encourage and raise the issue of IPP as part of the solution. It would be a good idea to involve the project portfolio holders of organizations to safeguard the information flow as widely as possible in the organizations.

The lack of knowledge and capacity to carry out IPP activities in EU-funded projects has been discussed several times with the iBuy project partners who address the same challenges. Capacity building, training courses, peer support etc. are needed in order to ensure the active implementation of IPP methods in the current and in the new Programme Period. The Lithuanian best practice cases related to innovation support and consultancy services regarding pre-commercial procurement and pre-commercial procurement support scheme have been the inspiration in design of the activity 2. Also the example of The Centre for the Development of Industrial Technology (CDTI) from Spanish example gave food for thought. The Centre for the Development of Industrial Technology (CDTI) produced the guidelines for IPP public procurers & innovation companies in Spain including the steps to follow when planning a procurement of innovative technology, when preparing a pre-commercial procurement and when receiving an unsolicited proposal for innovation.



## Action

In summer 2020 the MA did innovative public procurement itself in trying to strengthen ways to promote the implementation of IPP in ERDF-funded projects. Industryhack, a company that offers a wide range of services to support innovation activities in private and public sector was selected as a service provider for this activity. To begin with, three already implemented projects from Tampere region were selected as case examples. These projects were reviewed by Industryhack, the MA and the project managers from their implementation logic, results and effectiveness point of view in individual workshops in September 2020. On the basis of the workshop results, alternative implementation paths were built and visualised for the projects to show what would have been achieved if IPP had been used in the projects. Comparing different implementation paths of public procurement and their effectiveness was found useful and it was an eye-opening experience. The implemented process helps to consider and assess why IPP may be better or complementary model in realising purchases of services, solutions and investments in projects compared to the “old way” of doing public procurement.

Based on the workshop results, a program and content for a webinar was created jointly with Industryhack, iBuy project and the MA and it was organised in the end of September 2020. The webinar introduced the results of the workshops to bigger audience and it was followed by two training sessions. The two training sessions were targeted and organized for project portfolio owners and project actors of the key ERDF organizations in the region in October 2020. The staff of MA was involved in all stages of the process.

The material created in the process will be used in the future funding rounds of current programming period to encourage applicants to use IPP. During Phase 2, which continues until August 2023, the impact of the training process will be monitored and the increase of the IPP execution in funded projects will be assessed.

## Players involved

- Council of Tampere Region (Intermediate body staff and regional development project specialists)
- Industryhack Ltd.
- Regional users (e.g. cities, municipalities, companies owned by cities and municipalities, universities and other educational institutions, research centres) of ERDF funding – their project portfolio holders and project actors, project managers



### Timeframe

Procurement and implementation of the learning process with case projects workshops, production of training material, marketing webinar and training sessions for project portfolio holders, project actors and our own staff was done by the end of November 2020.

During the phase 2 (ending in November 2022) there is time to assess whether the implementation of IPP as part of the search for solutions has increased in the last calls for ERDF including ReactEU funding with fast-start funding rounds. Projects in the current programming period can be implemented until August 2023.

### Costs (if relevant)

No additional costs for designing the call. The amount of funds available for the last ERDF calls will be 3,7 M€.

### Funding sources (if relevant)

The amount of funds still available in last ERDF funding rounds will be 3,7 M€ from the current Operational Programme.

## Action 3: Organisation of seminars on innovation procurement

### Background

During the first phase of the project, the MA and the Baltic Institute of Finland has identified that there is a lack of knowledge and common understanding of IPP among policy makers, public procurers, private sector representatives and others. As awareness raising is one of the main aspects in fostering IPP among public authorities, additional attention will be made towards information dissemination events.

Project meetings in iBuy project have shown that there is a need for international and interregional cooperation and information sharing related to development of policy instruments in order to support IPP methods as well as sharing good practices. Learning from other regions (outside Finland) is vital to ensure effective development of methods and processes that will lead to increased use of IPP methods in the region.



The best practices (e.g., competence centres in different European countries) presented in the iBuy Thematic Seminar “Capacity Building - A Driver for IPP Transnational Cooperation” in October 2019 in Lisbon gave a strong push towards planning interregional capacity building activity for the Regional Action Plan.

### **Action**

iBuy project partners the Baltic Institute of Finland together with the MA and the Ministry of Economics of the Republic of Latvia have agreed to collaborate and organise joint interregional seminars and share experiences of IPP practices during the Phase 2. There is a need in both regions to gain more information about the IPP practices and implementation. The aim of the seminars is to share good practice cases from both regions and they will be discussed to demonstrate innovation procurement opportunities and to promote the opportunity of transferring good practices between two countries. Selected cases will aim to cover the topics of interest expressed by the audience. There will be two joint online seminars in Phase 2.

### **Players involved**

The MA, the Baltic Institute of Finland and the Ministry of Economics of the Republic of Latvia will jointly coordinate and organise the seminars.

### **Timeframe**

The seminars will take place in spring 2021 and 2022.

### **Costs (if relevant)**

No costs needed.

### **Funding sources (if relevant)**

No funding sources needed.



**Date** 29 January 2021

**Signature**

**Stamp of the organisation (if available)**