

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

Action plan for Bucharest - Ilfov region



Introduction

The importance of public procurement of innovation (PPI) is underlined in the Europe 2020 flagship initiative Innovation Union. Based on the directives 2014/23 to 25/EU, the European Commission started a process to reinforce the role of the PPI in innovation policy, through different economic measures, including projects under the European Investment Bank, and support measures, like the creation of the Innovation Procurement Platform. Under the definition of the smart specialisation strategies, the EU DGs, especially GROW and REGIO, fostered the need to promote the role of the public authorities as demanders of innovation, through PPI programmes which can be supported by the European Structural Investment Funds. PPI is the most relevant innovation policy instrument that public authorities have when fostering the development of R&D&I projects from this demand perspective.

In this context, interregional cooperation and networking among the different territories is crucial for being efficient and generating economies of scale that allow them to jointly advance towards the same goal. Individually, different territories would be facing the very same problems, which can be much easily overcome thanks to the collaboration. This framework strictly fits under the goals of Interreg Europe, for it is aligned to the programme specific objective tackled under the iBuy project, focusing on one of the most relevant (but challenging) innovation policy instruments, which are a priority for most EU member states.

Being aware of the importance of public procurement of innovation for the development of the region, the Bucharest-Ilfov Regional Development Agency (ADRBI) is looking to undertake actions in order to develop ideas regarding PPI programmes. For the Bucharest-Ilfov region, competitiveness improvement is a key element in order to be able to determine growth. The local and regional support has not been really successful and therefore needs to be improved. One line of development that should be addressed is the one concerning public procurement of innovation for which the Bucharest-Ilfov region does have a latent potential. However, due to the fact that is a new policy, new and better governance models are needed, so the region gets to improve its skills on how to proceed with these programmes and deliver them efficiently.



PPI, PCP as well as innovation partnerships can be powerful mechanisms helping innovations and new technologies enter the market. These concepts are relatively new to the Romanian market and have been transposed in the national legislation in order to follow up on the European trends.

However, quite often, public procurement is not exploited to drive innovation and entrepreneurship and there are no pure innovative procurements being done for now – this can be attributed to a lack of understanding of the complex processes behind them, the small number of public institutions that have the necessary resources (both material and human) and know-how to implement them and, in some case, a reluctance to implement PPI or PCP processes because of the complicated and sometimes unclear Romanian legislation in this field.

The general feel in Romania is that taking in account the current legislation, the way it is interpreted by the Control Authorities and the very long deadlines for the public procedure to be assigned, most of the procurers are reluctant to use this procedure.

Moreover, procurement practices favouring incumbents, avoidance of risk-taking in the public sector, establishment of other priorities in the distribution of budget funds (such as pensions and wages), lack of expertise of the procurers in the case of complex procurements and a lack of institutional capacity to drive new public procurement policies are factors that hinder, to varying degrees, the provision of innovative solutions to public procurement in Romania.

Based upon the results of the interregional learning process determined by the participation in the iBuy project, ADRBI and its stakeholders - key representatives from public authorities, research institutes, universities, private sector, clusters, civil society - will act to improve the general view on PPI/PCP, adding significant credibility to the wider acceptance of PPI/PCP processes in Romania.

Participation in the iBuy initiative has enabled the work towards the alignment of the regional practices regarding public procurement of innovation in Bucharest-Ilfov region. ADR BI and its stakeholders have learned from more experienced regions about measures and finance models needed by this type of development, maximising the opportunities provided by public procurement of innovation through the adoption of new work practices and/or development of related new products/services.



Following our stakeholders' involvement in the project's 1st Phase, both at the local meetings but also in the project events, we could observe that steps are being taken in the right direction and despite the difficulties and shortcomings encountered, the employees of public institutions and procurement experts alike are willing to learn and improve the way they procure innovative services.

Moreover, it was generally emphasized that even though there have been no true PPI procedures (like innovative partnership) there are some examples of procurements that have an innovative component or are being evaluated by their innovative characteristics. It is believed that in order to boost PPI/PCP, the most important aspect is the legislation – once this is made more accessible, more institutions will follow in applying PPI/PCP procedures.

We must also take in account the representatives of the private sector since it is the central provider of innovative products or services that a public institution will acquire through a specific procedure. They are the main factors that stimulate growth through the research and development they provide and that will be used by public authorities once they are contracted through a PPI/PCP procedure.

It is clear that in order to move forward and develop PPI/PCP for a broader use in the Romanian procurement system it is important to have a well balanced mix of legislation, policies and strategies overlooking both public and private sector (as representatives of the demanders and providers of innovation), well-trained staff and constant awareness-raising activities regarding the benefits of using PPI/PCP.

Through the Local Action Plan, we will try to motivate decision makers and public authorities to be more open towards PPI/PCP in our region, making it more easy for them to understand the concepts, the procedures and what are the benefits resulting from research and innovation processes.

ADR BI was originally targeting the Regional Operational Programme Investment in Growth and Jobs ERDF 2014-2020 - Development of innovation public procurement strategy under ERDF IP 1b. This has not proved to be feasible because of the timeframe - the current Regional Operational Programme is at its end period and concrete changes cannot be obtained at this time, however, we hope to be able to link the results of our Action Plan in relation to the next Operational Programme (BI POR 2021-2027). No link to other Strategies or Programmes can be made at this time.



Part I – General information

Project	Fostering the role of public authorities as demanders of innovation through public procurement “iBuy”
Partner organization	Bucharest-Ilfov Regional Development Agency
Other partner organisations involved (if relevant)	NA
Country	Romania
NUTS2 region	Bucharest-Ilfov
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Part II – Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed: It is envisaged to link the results of our Action Plan in relation to the next Regional Operational Programme - BI POR 2021-2027.



Part III – Details of the actions envisaged

Action 1 – Development of a Guide to set up a PPI Competence Center

Background


At the moment, in Romania, there is a lack of knowledge and also a reluctance when it comes to PPI/PCP. Public authorities do not have specialised staff and face numerous roadblocks when trying to undergo this type of procedure, most often preferring to go for a classic procurement procedure. There is a clear need to raise the quality of the procurement processes in Romania through an efficient administrative capacity building. This must be done by taking measures to improve the competences of staff working in procurement and by developing adequate mechanisms, thus ensuring a wider acceptance of PPI/PCP.

As PPI/PCP is really in an incipient phase in our region, the iBuy partnership played an important role by sharing with us knowledge, know-how and relevant case studies. In order to develop our Action Plan we analyzed our stakeholders' needs and expectations, thinking about measures that will boost the adoption of PPI/PCP while taking in account our regional context. The interregional learning process allowed us to experience ideas and see firsthand initiatives that could facilitate the adoption of PPI/PCP in Romania.

An example in this respect are the 5 Competence Centers presented as best practices during the Lisbon thematic seminar in semester 3, organised by our Portuguese partner (ANI):

- the PPPI Service Center – Austria
- the German Competence Center for Innovation Procurement – KOINNO
- the Dutch Competence Center for Innovation Procurement – PIANOo
- the Swedish Competence Center for Innovation Procurement
- the Spanish Competence Center for Innovation Procurement - CDTI

We have received support in terms of materials and videos from ANI following the event which were a real inspiration for us, thus setting the basis for the 1st Action. Also we have



done our own research in regards to these competence centers, looking over their institutional websites and other relevant websites/networks, in order to find out more information about how they were established, how they function, what services they provide and what are the benefits for practitioners.

Action

The aim of the Action is to develop a Guide describing the main steps in setting up a PPI Competence Center. It will refer to the concept of a competence center, its institutional setting, how to set one up, what are its attributes and benefits and how they can boost PPI/PCP. It aims to guide and inspire as well as identify the bare minimum needed to run a competence centre.

The Guide will offer the reader an insight into the setting up of a competence centre for innovation procurement, starting with the basics and working towards more advanced requirements.

It will be structured as follows:

- Definition of a Competence Center
- Objectives
- Typology and institutional background
- Key characteristics
- Services provided & Benefits

The Guide will be addressed to practitioners, experts responsible for public procurement, but also to the general public interested in this field. It will be the first Guide published on the Romanian market that deals with the concrete steps needed to establish a Competence Center, transposing the European knowledge in order to set an example for the competent public authorities and other relevant stakeholders.

Taking in account the stakeholders' needs identified during the project meetings, the Guide can help the employees working in public procurement improve their professional skills and act as a training manual, thus improving the sector's efficiency.

In our region there is a lot of interest and great potential for innovation, so it seems natural that interest for PPI/PCP procedures should follow. However, several barriers, be they legislative, procedural or regarding the lack of knowledge of people working in the public procurement sector hinder the implementation of such procedures. Since the current Regional Operational Programme is at its end period and concrete changes cannot be obtained at this time, we are trying to see if it is possible to link our Action plan and the respective Guide to set up a Competence Center with the next Operational Programme (BI POR 2021-2027).



The very early stage of developing PPI initiatives in Romania makes hazardous to state that European Union financing could be obtained using the Regional Operational Programme instrument. Albeit ADR BI is not in the position to guarantee the success of such a complex process as setting up a competence center as it does not only depend on the influencing of the Operational Programme, it intends to define financing opportunities to be accessed on a competitive project base related to PPI. In order to be successful, the establishment of a competence center should evolve as a common process that involves a large number of organizations and institutions working together, namely the National Agency for Public Procurement, RDI institutes, clusters and other public institutions. Our intention is that by producing this Guide and distributing, presenting and explaining it to the relevant stakeholders to tilt the scales for the establishment of a competence center. Also, we will try to offer all the support and guidance for the interested parties in terms of suggesting the most relevant and competitive sources of funding for this endeavour.

We are thinking of discussing with the relevant actors from the field tackled by the project in order to see if it is possible to implement the measures mentioned in the Guide. We will have internal talks with our Regional Board but also with relevant institutions that deal with public procurement in order to see how the ideas related to Competence Centers can be applied here in the Bucharest-Ilfov region.

Also, we will try to set up a dialogue on Competence Centers and PPI/PCP between all the parties involved, creating the premises for joint actions for the future use of these types of procurement. The focus will be on promoting the learnings and examples from other partner regions, where Competence Centers have already been implemented and have created success stories. We want to further share the learnings from the 1st Phase of the project and for this, it is essential that stakeholders understand that the benefits and development in research and innovation when dealing with PPI/PCP overcome the implied risks. We will also try to share with the decision makers the idea that they need to support PPI/PCP and work towards better policies and specific incentives.

We are thinking of analysing the possible financing sources (from BI POR 2021-2027 and other instruments) that could enhance on a project competition base, if conditions will permit, the establishment of a Competence Center.

The objective of this Action is to raise awareness, provide further information on PPI/PCP, increasing the number of stakeholders that will be familiarized with iBuy and the concept of Competence Centres.



Players involved

The first stakeholders to be involved are the decision makers, public authorities and research institutes, as they deal with complex procurements and are the main beneficiaries of knowledge that the Guide will provide.

A second category of stakeholders is represented by universities, clusters and the private sector. These organizations also have an influence in PPI/PCP processes due to their position as suppliers of innovation.

Specialised regulatory agencies and bodies, like the National Agency for Public Procurement (ANAP) and the National Council for Resolving Complaints, will have an important role, as they are supervising the procurements done on the Romanian market and they will provide relevant input regarding our Guide.

During the implementation of the iBuy project, the National Agency for Public Procurement has proven to be a vital stakeholder, being present at the project events and offering technical support and input for the activities. The representatives of ANAP have shown interest in PPI/PCP and the institution has recently encouraged these types of procedures in the context of COVID-19.

Last but not least, the civil society is also intended to be part of the process.

The overall process will be managed by the Bucharest-Ilfov Regional Development Agency which is also Intermediary Body for the Regional Operational Programme Investment in Growth and Jobs ERDF 2014-2020.

Timeframe

The steps toward the elaboration of the Guide and the corresponding timeframe for the Phase 2 (2020-2022) of the project are:

- Semester 6
 1. Assessment of the actual situation.
 2. Research of relevant case studies and success stories regarding Competence Centres.
 3. Drafting the structure of the Guide.
- Semester 7
 4. Development of the Guide regarding Competence Centres.
 5. Dissemination & raising awareness regarding the content of the Guide.

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- Semesters 8&9

6. Monitoring the results following the dissemination of the Guide.

Costs (if relevant)

18.000 euro

Funding sources (if relevant)

The funds needed to cover the costs for this action will be gathered from the local authorities in the Bucharest-Ilfov Region, through the Regional Development Fund (based on the Law 315/2004).