Foreword

Governments are increasingly recognising the immense power of public procurement to solve global societal challenges, improve productivity and boost innovation, while ensuring value for money. Public procurement represents 12% of gross domestic product (GDP) and 29% of total government expenditures on average across OECD countries, a clear sign of its potential to support broader policy objectives, including the fostering of innovation.

Alongside sustainability and inclusiveness, innovation, which underpins jobs, productivity and growth, remains a policy imperative for all countries. This is why it was included in the Sustainable Development Goals as part of the universal 2030 Agenda for Sustainable Development.

The report presents insights from the OECD Survey on Strategic Innovation Procurement, covering 35 countries, and takes stock of the strategic use of procurement for innovation in OECD Member countries and non-Member economies. It provides evidence that public procurement is a major pillar of strategic governance and service delivery. Results from the survey show that governments are gradually implementing demand-side driven procurement policies to ensure that government-funded innovation results in better value for money in the future. Ground-breaking solutions that have resulted from these policies include liquid light-emitting diodes (LEDs), electric cars and robotic bed-washing facilities in hospitals. Such innovations are helping reduce energy consumption and support the transition to a low-carbon world.

The challenges of implementing an adequate public procurement strategy for innovation are many, such as reducing risk aversion, setting up new forms of coordination, improving skills and capacity, encouraging public purchasers to dialogue with suppliers, and enhancing data collection and the monitoring of results. To support countries in using public procurement to enhance innovation, the report provides evidence collected from the Survey and based on the 2015 OECD Recommendation of the Council on Public Procurement.

The findings presented in this report reinforce the OECD’s vision for a holistic use of public procurement, and reaffirm the value of investing in this key tool both as a strategic function and as a means of addressing fundamental societal challenges. Indeed, through a more strategic use of procurement for innovation, countries can demonstrate quality governance worthy of citizens’ and suppliers’ trust and engagement, while delivering innovative solutions for servicing the public.

I invite countries to make use of this framework and learn from the good practice cases included in this report. Public procurement can and should be an integral part of our collective effort to support innovative and inclusive societies, in the OECD and beyond.

Angel Gurría
OECD Secretary-General
Acknowledgments

This report was prepared by the OECD Directorate for Public Governance and Territorial Development as part of its mission to help governments at all levels design and implement strategic, evidence-based and innovative policies to strengthen public governance.

Under the direction of Rolf Alter and guided by János Bertók, this report was led by Paulo Magina, co-ordinated and drafted by Anne Müngersdorff and received major chapter contributions by Lena Diesing. Further input was provided by Matthieu Cahen, Kenza Khachani and Jennifer Moreau. Survey and evaluation support was provided by Zsuzsanna Lonti, Guillaume Lafortune, Samuel Pinto Ribeiro and Minjoo Son; contributions on the Observatory Public Sector Innovation Survey were provided by Edwin Lau and Marco Daglio. Editorial assistance was provided by Pauline Alexandrov, Thibaut Gigou, Alpha Zambou, Julie Harris, Laura McDonald and Kjersti Berg.

It also benefited from valuable comments by Silvia Appelt, Maria Bravo, Mario Cervantes and Fernando Galindo-Rueda, as well for the OECD Survey by Michael Keenan, Sandrine Kergroach and Alistair Nolan of the OECD Directorate for Science, Technology and Innovation.

The OECD also wishes to express its gratitude for its fruitful co-operation with the European Research Area and Innovation Committee (ERAC), in particular to Minna Immonen and Frits Smulder of the ERAC-Secretariat, the ERAC Task Force on Innovation Procurement represented by Eva Buchinger, Austrian Institute of Technology GmbH, and Mart Laatsit, Ministry of Economic Affairs and Communications Estonia and the Public Governance Committee’s Working Party of Leading Practitioners on Public Procurement (LPP Working Group).

Special thanks go to the ERAC and LPP Delegates and corresponding lead respondents from ministries and other organisations having responded to the OECD Survey on Strategic Procurement for innovation 2015: David Adolphe (DGE, France); Olga Anchishkina (NAPE, Russian Federation); Yasemin Aslan (TUBITAK, Turkey); Christos Aspris (Directorate General for European Programmes, Coordination and Development, Cyprus); Christopher Baird (Build in Canada Innovation Program Office of Small and Medium Enterprises Public Works and Government Services Canada, Canada); Jacqueline Barbara (Malta Council for Science and Technology, Malta); Stuart Barthropp (Department for Business Innovation and Skills, United Kingdom); Eva Buchinger (Austrian Institute of Technology AIT, Austria); Martin Buncek (Technology Agency of the Czech Republic, Czech Republic); Mario Calderini (Ministry of Research and Innovation, Italy); Myriam Cevallos (State Secretariat for Education, Research and Innovation, Switzerland); Wolfgang Crasemann (BMWi, Germany); Floris den Boer (PIANOo, Netherlands); Johan Englund (Difi – Agency for Public Management and eGovernment, Norway); Juan Manuel Garrido (Ministry of Economy and Competitiveness, Spain); Shayne Gray (Ministry of Business, Innovation and
Employment, New Zealand); Cristina Guedes (General Directorate of Economic Activities, Portugal); Jussi Kajala (Tekes, Finland); Roman Kałamarz (Gmina Jarosław/Jarosław Commune, Poland); Aurelija Kazlauskienė (Ministry of Economy, Lithuania); Ljiljana Krejovic (Inovation Fund, Serbia); Trygve Olavson Laake (Difi – Agency for Public Management and eGovernment, Norway); Dávid Lakatos (National Development, Research and Innovation Office, Hungary); Lukas Levak (Ministry of Education, Youth and Sports, Czech Republic); Eivind Lorentzen (Norwegian Ministry of Trade, Industry / Department of Research and Innovation, Norway); Molina Maria de los Angeles (Dirección de Compras y Contratación Pública, Chile); Robbie McKechnie (Inland Revenue, New Zealand); Pernille Nielsen (Danish Business Authorities, Denmark); Miguel Ortiz (CDTI, Spain); Christian Pecharda (FFG, Austria); Justyna Pożarowska (Public Procurement Office, Poland); Lucia Prozbikova (Ministry of Economy of the Slovak Republic, Slovak Republic); Jaime Quesado (eSPap, IP Portugal); Sigrid Rajalo (Ministry of Economic Affairs and Communications, Estonia); Angela Russo (Consip SpA, Italy); Karl Ryan (Office of Government Procurement, Ireland); Sara Hernández Muñoz (Secretaria de Economía, Mexico); Doris Scheffler (ZENIT GmbH, Germany); Kang-il Seo (Public Procurement Service, The Republic of Korea); Lisa Silvemark (Swedish Transport Administration, Sweden); Griet Storr-Hansen (Danish Agency for Science, Technology and Innovation, Denmark); Lena Svendsen (Ministry of Enterprise and Innovation, Sweden); Paul Thomson (Policy, Risk, Integrity and Strategic Management Sector - Public Services and Procurement Canada, Canada); Konstantinos Tzanetopoulos (General Secretariat of Commerce and Consumer Protection, Greece); Juergen Unger (Federal Procurement Agency, Austria); Waldo Van den Broeck (Dienstrofd Overheidsopdrachten Federale Overheidsdienst Personeel en Organisatie, Belgium); Christophe Veys (IWT since 2016 VLAIO, Belgium); Kirsti Vilén (Ministry of Employment and the Conomy, Finland); Vunnaporn Devahastin (Office of the Public Sector Development Commission, Thailand); Julia Wise (OMB, United States); Maria Margarita Zuleta Gonzalez (Colombia Compra Eficiente, Colombia).

This report was discussed and approved by the ERAC and LPP Delegates, and presented at the Forum on Procurement for Innovation on 5 October 2016 at OECD headquarters in Paris.