Spain

**Strategic framework, action plan and scope for procurement for innovation policy**

Spain does not have a stand-alone procurement for innovation action plan, the procurement for innovation action plan is both part of the country’s general innovation strategy and part of the procurement strategy:

The innovation strategy was adopted in 2010 and includes specific support to procurement for innovation in particular lead markets (i.e. Health, Energy, e-Administration, Defence, etc.). A regulation on procurement for innovation complements the strategy; this regulation was passed in 2011. This regulation obliges all ministries to specify the amounts allocated to procurement for innovation in their budgets and in different multiannual action programmes. A target of 3% in new investment for procurement for innovation was pursued for the year 2013.

In addition, procurement for innovation is supported by the Spanish Strategy for Science, Technology and Innovation 2013-20 and the more specific and operative Plan for Scientific, Technical and Innovation Research 2013-16. The Royal Decree 345/2012 tasked the Directorate General of Innovation and Competitiveness (DGIC) with the promotion and dissemination on the use of procurement for innovation.

Funding for procurement for innovation comes from structural funds, as well as specific allocations in budgets. The current Programme 2014-20 allots EUR 300 million within the pluri-regional programme to procurement for innovation. To reach the target of 3%, the Ministry of Economy and Competitiveness (MINECO) and the Centre for the Development of Industrial Technology (CDTI) developed a set of elements to promote procurement for innovation and support the implementation of the legal framework. A Guide on Innovative Public Procurement (first version 2011, update December 2015) describes administrative actions to promote innovation by focussing on the demand-side and the creation of markets. The guide foresees two complementary mechanisms:

1. Pre-commercial procurement: “Compra Pública Pre commercial (CPP)”, which purchases new solutions and includes risk-benefit sharing between supplier and procurer.
2. Innovative technology public procurement: “Compra Pública de Tecnología Innovadora (CPTI)”, i.e., the procurement of commercial – not yet existing -- mature solutions that could be developed in a reasonable time. In addition, the National Institute for Public Administrations (INAP) published a book on the foundations and instrumentation of IP, aimed at wide spreading the use of this tool, in 2013.

An example for specific actions to support procurement for innovation at the national level is the INNODEMANDA programme. This instrument provides financing and is managed by the Centre for the Development of Industrial Technology. Funds will be given to companies to cover innovation costs so that the public body pays the same

* OECD Survey Part I submitted by Miguel Ortiz, Innovation Procurement Coordinator, CDTI.
amount as if it bought the already developed technology, in this way, affording greater exposure of these companies’ products and services in the administration.

Another example is the INNOCOMPRA programme, implemented through FID (Fostering Innovation through Demand) Agreements. This programme is managed by the MINECO and uses EU Structural Funds, ERDF, to co-finance procurement for innovations at regional level. Until July 2014, 21 operations had been covered by this instrument, mobilising EUR 230 million. At the end of 2015, those 21 operations were thoroughly monitored and audited, finding a high degree of technical fulfillment with something less than 90% of technical contains been completed.

These two examples (INNODEMANDA and INNOCOMPRA) encouraged more than 25 procurement for innovations within Spain, either CPP or CPTI.

Implementation

Since 2011, Spain has developed a programme for co-financing actions on PPI with support of the EU - FEDER Technological Fund. During the last budget period 2007-13, 21 actions have been developed for an amount of EUR 230 million.

Since 2014, Spain is preparing a new set of PPI proposals for a global amount of EUR 300 million to be co-financed with this FEDER Technological Fund through the new Spanish Programme on PPI (FID) for 2014-20.

It is highlighted the Programme FID SALUD that aims at systematically improving public health services portfolio through yearly calls of PPI. Currently, on its second year of existence, the programme involved every regional health service (18, including Ceuta and Melilla) and is technically co-ordinated by the Health Ministry in order to prevent duplication and to foster synergies. Structural financing and oversight is provided by the Ministry of Economy and Competitiveness. To date more than 40 proposals have been independently assessed by ISCIII (Health Institute Carlos III) and 15 have been approved mobilising some EUR 62 million just for the 2015 call.

Spain considered the following among its most successful practices:

- Projects Hospital 2050 and INNOVASAUDE (www.sergas.es/Hospital-2050-Innova-Saude?idioma=es) for the period 2007-13 and several proposals for the new period included in FID SALUD. Hospital 2050 is addressed to health innovation for smart general management and patients management systems, traceability, robotisation, hospital buildings sustainability, clinical information security and so on.

- Initiatives on aeronautical technologies come from the 2007-13 period and continue to be relevant during the current period with the Civil UAVs (Unmanned Aerial Vehicles) Initiative (http://gain.xunta.es/artigos/466/civil+uavs+initiative). Targets of this last one consists in developing a new offer of public services for forests protection, land management, civil protection against catastrophes, coasts surveillance and so on. Also, it creates a technological and industrial park for UAVs.

- R&D and Innovation for the rural environment. RECUPERA 2020 (www.recupera2020.csic.es/en) is a collaborative project between the Spanish National Scientific Research Council, other public research centres and companies.

New initiatives for 2014-20 of other ministries for motorcycles and cars safety in roads and for improvement of meteorological fog conditions in motorways.

Challenges, risks and solutions to overcome the obstacles

Spain experienced the following challenges:

- Spain implemented intensive promotion campaigns within the national administration and in most of the regions in Spain. However, there is still significant room for increasing awareness within Spanish procurers regarding the benefits and possibilities of IP, the new legal framework and financial instrument that can support it.

- Administrative ranks are generally risk averse when it comes to implementing new procurement procedures. This also applies to auditors, sometimes due to new legal framework uncertainties.

- Public procurers conduct too few analyses of requirements and open market consultations. There is a need for more promotion and acknowledgement to incentivise continued education.

- Lack of money is an obstacle to assume higher risk in procurements: public procurers can afford to address urgent needs only.

- Procurers are new stakeholders in Horizon 2020, EU Research and Innovation Programme, and funding is not so attractive (management costs vs. procurement costs).

Many of the mentioned obstacles are not in the hand of government an administration to be overcome.

Key lessons learned

Spain reported the following observations:

- Co-ordination between national and regional administrations is essential, either for promotion of procurement for innovation or for complementing financial support mechanisms (EU Structural Funds, ERDF).

- Mappings of early demand, published by public procurers and targeted at potential suppliers would help to boost innovation by highlighting needs. Several of these demand mappings for different markets were already published in Spain; however, it is difficult to retrieve the mappings from the public procurers that develop the mapping.

- Easing the scope of structural funds set aside for R&D&I, in the sense of permitting the entry into service of procured innovation on a pilot scale beyond the strict definition of innovation, will certainly ease the general adoption of procurement for innovation tools by the community of public procurers.
The European Commission should facilitate the syndication of different funding sources, i.e. funding sources should be co-ordinated and complementary. This is important to fully cover the process from the research and development phase to entry into service (EIS) at a wider scale. By doing so, support to procurement for innovation would fully tap into potential anticipated by econometric models modelling the demand for procurement for innovation.

Innovation fields covered reach mainly to health, ICTs and aeronautics. New actions should be implemented to extend broadly those three fields and to reach new ones yet not well covered, such as energy, environmental, surveillance and security technologies and innovations.

Increase and improve participation of innovation procurers coming from ministries and from regional and local authorities. Also coming from universities.

Improve training of public procurers, making them aware to practices and advantages of procurement for innovation.

Measurement and impact assessment

Spain tracks its quantitative target for procurement for innovation through a marker in the State Procurement Platform (PACE). This marker indicates if a project corresponds to IP. There is currently little follow up if the target is fulfilled, apart from the evaluation as part of the INNODEMANDA/INNOCOMPRA programmes, as well as otherwise un-evaluated procurement for innovations entered in PACE. More resources could be focused on this particular matter.

One of the projects tracked by the procurement for innovation marker in PACE that is not part of the INNODEMANDA / INNOCOMPRA programme is a new investment project called “Type K” which is in use since 2013.