Austria

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

Austria implemented the “Austrian Action Plan on Public Procurement Promoting Innovation PPPI” as a follow up of the “Austrian Strategy for Research, Technology and Innovation (2011)”. The strategy aims to create a “systemic, modern policy on research, technology and innovation” by using public procurement as a lever. The strategy has linkages to other policy areas, for example education policy and competition policy.

The PPPI Action Plan was adopted in 2012 and is based on a 12-month PPPI Strategy Process, involving all relevant Austrian stakeholders (about 100). The responsibility for the PPPI Strategy Process as well as for the implementation of the PPPI Action Plan has been cooperatively supervised by the Ministry for Transport, Innovation and Technology (BMVIT) and the Ministry of Science, Research and Economy (BMWFW), supported by the Austrian Procurement Agency (BBG) and the Austrian Institute of Technology (AIT).

The action plan includes a number of specific actions or initiatives to support procurement for innovation. The most important activities are: 1) the amendment of the Austrian public procurement law; 2) the creation of a PPPI service network consisting of a PPPI service centre (including personal and online services) and PPPI service partners (complementary to the PPPI service centre, by covering sectors such as mobility, energy, building, managing grants, connecting to the industry, facilitating exchange with the Austrian provinces, etc.); 3) the design of an advanced PCP-programme (e.g. transport infrastructure); 4) the management of an innovation platform; 5) the initialising of pilot projects; and 6) the creation of linkages to already existing procurement initiatives, such as the federal Green Public Procurement Action Plan. Another important aspect is the PPPI awareness initiatives and trainings under the responsibility of different ministries and the PPPI service network.

Austria uses the European PCP/PPI definitions. PPPI (Public Procurement Promoting Innovation) is the umbrella term which includes both, PCP and PPI.

**Implementation**

Austrian good practice policy in PPPI is above all the “empowerment approach” and its institutional backing. That is, the design of various interlinked measures to empower public procurers for procurement for innovation and their establishment in already existing innovation supporting institutions, which is among others reflected in the PPPI service network approach, the PCP-programme, etc. Beyond that, the Austrian “evidence-based policy approach” is good practice in PPPI (monitoring, evaluation).

Austria designed a PCP-programme that requires a financial contribution of the involved public procurers. This minimises or even eliminates the risk of non-procurement after the completion of the PCP process.

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Austrian example cases of good practice procurements are, among others, eco-buildings, LED lights, smart grids, traffic control and risk detection, and e-government. It is part of the overall Austrian good practice that empirical evidence of good practice of public procurement for innovation is collected and distributed in the course of the PPPI platforms.

An procurement for innovation monitoring system has been set up. It includes an procurement for innovation survey by Statistics Austria, monitoring obligations of the PPPI service centre and scientific interim and ex post evaluations.

Policy instruments used to support procurement for innovation in Austria are the Procurement for innovation Action Plan that aims at all sectors. Financial instruments are the PCP Programme awarding of grants to public authorities for pre-commercial procurement and the PPI Competition awarding of vouchers on the basis of a contest which can be used by public procurers for PPI-support, such as technology consulting, legal advice, or project management. Considerable success has been achieved until now, especially in the sectors of mobility, energy, buildings and information and communication technology (ICT).

Challenges, risks and solutions to overcome obstacles

The most significant challenge in implementing the PPPI Action Plan is the mobilisation of the procurers. Procurers respond slowly because procurement of innovation initially requires more time (and money) compared to standard procurements. It also requires a procurement strategy together with the involvement and commitment of the (top) management of the procuring organisation, and requires the acceptance of some risk and/or uncertainty (i.e. risk of innovation failure).

To overcome these obstacles, stakeholder participation, procurer empowerment and the offering of service/support have been used in all stages - starting from the strategy process which resulted in the Austrian PPPI Action Plan. Concerning PCP, the biggest challenge was the IPR-agreement between procurer and industry. In the PCP-pilot we managed step-by-step to address procurers and industries needs appropriately and found an acceptable solution for all parties.

Key lessons learned

- Stakeholder participation is one of the key elements for the general acceptance of PPPI policy.
- Embedding individual activities into the national innovation strategy is important, as is overall political commitment for PPPI.
- Empowerment works, but requires time and financial resources.
- An appropriate policy mix is necessary (i.e. there needs to be a broad range of instruments from awareness to programmes and services to financial incentives).
- Adopting an evidence-based approach is important – this requires monitoring and evaluation.
Measurement and impact assessment

There is no quantifying of targets for procurement for innovation. To capture the impact of procurement for innovation activities, the Austrian PPPI Action Plan covers various dimensions: increasing (significantly) the share of innovative procurement in public procurement and increasing (significantly) the share of procurement-oriented research and development (R&D). There are also other indicators such as: reducing environmental burden, reducing costs (within public entities), improving processes (within public entities), and improving public service quality (benefits for citizens). Beyond these dimensions, an procurement for innovation monitoring system has been set up. It comprises an procurement for innovation survey by Statistics Austria, monitoring obligations of the PPPI service centre and scientific interim and ex post evaluations and covering the following types of procurement for innovation: procurement of goods/services newly developed for the procuring entity, first commercial procurement of goods/services and the diffusion of innovative goods/services.

An interim impact assessment took place in 2014. An assessment of the PPPI service centre was conducted in 2015. A comprising impact evaluation will take place in 2017/18.