



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

From: Commission
To: Delegations
Subject: Public Sector Innovation - State of play
- Information from the Commission

Delegations will find attached a note from the Commission on the above-mentioned topic with a view to the Competitiveness Council on 26 May 2014.

**Public Sector Innovation – State of play
Information note from the Commission**

Innovation in and through the public sector is an essential part of the Innovation Union flagship initiative of the Europe 2020 agenda: commitment 27 addresses public sector innovation and the barriers to development and scaling up of initiatives, the need to bring together new learning experiences and networks for public sector leaders at a European level as well as the need to benchmark public sector innovation among the member states.

In 2013, the Commission set up a high-level Expert Group on Public Sector Innovation. The mandate of the group was to carry out a comprehensive analysis of the key issues hampering innovation in the public sector across Europe. The analysis was made from the perspective of the Member States and from the perspective of the European Commission.

The Expert Group report makes three cross-cutting recommendations and nine more specific ones, all aimed at improving the public sector innovation architecture in Europe (e.g. a “right to challenge”, a public sector angel fund, a network of innovation single contact points, and a dynamic toolbox for policymakers).

Also in 2013, the Commission published the pilot European Public Sector Innovation Scoreboard with the aim to better understand and assess innovation in the public sector. It was developed based on the experience of earlier national and regional projects, tested widely and discussed with a number of key relevant experts. The next edition, focussing primarily on the role of the public sector on competitiveness is expected to be published in 2015.

The Competitiveness Council on 3 December 2013 held a policy debate on Public Sector Innovation and discussed the recommendations from the Expert Group. The Commission was encouraged to enhance innovation policy for public sector innovation.

The Commission has therefore pursued the agenda of public sector innovation in 2014. At the 2014 Innovation Convention, public sector innovation was a major theme of debate. Stakeholders and policy makers stressed the need for a more entrepreneurial public sector and to balance proactive market deployment with lower administrative burden on firms. The 2014 “iCapital” finalists, Barcelona, Groningen and Grenoble, all demonstrated that European cities have large potential for public sector innovation. In parallel, H2020 (the EU's research and innovation programme) will be an important instrument in the field of public sector Innovation, in particular showing the role of ICTs in enabling the transformation of Europe's public administrations. Furthermore, the Connecting Europe Facility programme will ensure the deployment and operation of key services on which innovative cross border services can be created.

On 18 September 2014, the Commission is organising a Round table to gather stakeholder’s input on public sector innovation in Europe. The discussions will focus on the role of the public sector for the Innovation Union and how to pursue some of the most ambitious recommendations of the high-level Expert Group on public sector innovation.

In parallel, the Commission has initiated cooperation with the OECD at policy and statistical levels. At the policy level, in the framework of the OECD Public Sector Innovation Observatory, the objective is to implement some of the more operational recommendations made by the high-level Expert group, such as a network of national contact points for public sector innovation, a co-creation space, and a dynamic innovation toolbox. This new cooperation will also analyse the conditions for a more systemic approach to public sector innovation in view of social innovation and societal challenges. At the statistical level, the results of this cooperation will contribute to the creation of a statistical framework (in the context of the forthcoming Oslo Manual revision) for the collection of data to measure public sector innovation.