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Subject: Joint Declaration on Innovation Procurement in EU
- Information by the Greek and Italian Delegations

Delegations will find in the Annex the Joint Declaration by the Greek and Italian delegations on Innovation Procurement in the EU, which will be taken as AOB point at the Competitiveness Council on 29 September 2021.

**Joint Ministerial Declaration on Innovation Procurement in the EU
by Greece and Italy**

Competitiveness Council, 29 September 2021

The COVID-19-pandemic has strained our healthcare and welfare systems and has shaken our society and economy and our ways of living and working together. This has put the spotlight on how important it is for EU to deliver to its citizens more efficient and higher quality public services that are powered by modern cutting-edge digital technologies, resilient to systemic shocks. In addition, the EU has committed to increase investments in research and innovation, set ambitious targets to address the societal challenges faced by our generation, and become the world's first climate neutral continent.

With a combined annual purchasing power of 2.8 trillion Euros or 17% of the EU GDP, the acquisition decisions of the EU's public sector have a major impact on the European recovery. By using innovation procurement more strategically, the public sector can guide the change in the direction of green and digital economic recovery. This is a powerful tool to accelerate the development of technologies that can tackle climate change, improve the quality of the air that we breathe and the water we drink, introduce new digital and inclusive solutions that improve health services, and speed up the use of business models for the circular economy. By acting as an early adopter that fuels wider deployment of new solutions, innovation procurement empowers the EU's public sector to reap more quickly the benefits that cutting-edge solutions can offer to speed up the economic recovery, and come out stronger after the crisis.

This will allow us to build a more sustainable, fair, and resilient EU. It will improve the lives of all EU citizens while reinforcing the EU's internal cohesion. Moreover, innovative ICTs and R&D procurement will make the EU economy more competitive at global level, and reinforce the EU strategic autonomy by opening up new business opportunities to innovative businesses in the EU that create new high-quality jobs and growth in our continent.

In line with the EU Council Conclusions¹ that highlight the importance of Innovation Procurement and advocate the creation of a European network of best practices advisory hubs for the development of sustainable and innovative procurement, the European Commission has funded the creation of a European Network of National Competence Centres on Innovation Procurement (Procure2Innovate). This strategic co-operation supported 10 Member States to enhance their institutional assistance to public procurers and facilitate knowledge sharing, strengthen collaboration, exchange best practices, and improve the development of expertise in cross-border co-operation on innovation procurement. This network reinforced innovation procurement in the involved countries.

As evidenced by the EU-wide benchmarking², however, the EU has still a lot to do in terms of mainstreaming innovation procurement. Investment levels in innovation procurement and, in particular, in the parts dedicated to R&D procurement and to ICT-based solutions, are significantly lower than in other parts of the world. There are also considerable differences among the European countries.

¹ ST 13352/20: Council Conclusions on Public Investment through Public Procurement: Sustainable Recovery and Reboosting of a Resilient EU Economy (OJ 2020/C 412 I/01).

² Final Report: Benchmarking of national innovation procurement investments and policy frameworks across Europe": <https://digital-strategy.ec.europa.eu/en/news/benchmarking-national-innovation-procurement-investments-and-policy-frameworks-across-europe>

Action is needed to unleash at full scale the innovation potential of the enormous purchasing power of the public sector in EU. For this to happen, we need to engage public buyers in all the domains of the public sector to open procurements to innovative solutions that can solve societal needs and actively drive the demand for innovation where solutions are not available yet. Such engagement should have its basis on a forward-looking and holistic approach that builds on the multiplication capabilities of National Competence Centres for Innovation Procurement and the cross-border cooperation among them.

The EU Member States need to act, join forces, and work hand in hand with the European Commission, in order to increase the strategic use of innovation procurement at national, regional, and European level.

To demonstrate our political will for realising the ambition of mainstreaming Innovation Procurement to achieve the twin digital green transition, we, the signatory countries, declare that we commit to:

- Create national Action Plans for Innovation Procurement with defined targets and monitoring systems to measure the outcomes and the impacts;
- Embed innovation procurement in the national strategies for key public sector domains such as health and social care, education, transport, energy, environment, defense etc;
- Embed innovation procurement in the national strategies for the digital market and strategic ICT technologies (e.g., blockchain, AI, big data, IoT, advanced computing, robotics);
- Reinforce the existing or create a National Competence Centre on Innovation Procurement to offer support to public buyers tailored to their needs (training, tools, good practice examples, needs assessment, assistance to Horizon Europe calls) and support the mainstreaming of innovation procurement by providing financial incentives to public buyers;

- Support the permanent establishment of the European Network of National Competence Centres on Innovation Procurement and expand the services of the Network, such as, integrate data on innovation procurement, promote EU funding opportunities on innovation procurement, and train procurers in our countries to take advantage of them;
- Train public buyers to enhance their multi-disciplinary capacity on R&D procurement and on procurement of innovative solutions (legal, technical, green growth, and sustainability skills).
- Exploit synergies with European Digital Innovation Hubs to set up Regional Competence Centers on Innovation Procurement for public buyers and innovators at regional/local levels.
- Create more innovation-friendly procurement markets that offer all types of innovative enterprises, including start-ups/SMES, with a fair share of business opportunities. Promote the use of techniques that remove barriers and open up procurements to innovation (e.g., value for money criteria, functional specifications, preliminary market consultations, variants); Enable suppliers to retain IPR ownership unless overriding public interests require the buyer to acquire it;
- Facilitate the implementation of collaborative cross-border joint procurements that create an EU-wide growth market for innovative companies, and increase the EU resilience in the supply chain.

Cooperation at EU level is key to mainstream innovation procurement across the EU. For that reason, **we, the signatory countries, call on the European Commission to:**

- Embed innovation procurement strategically in European level policies and action plans for key sectors of public interest as well as for the digital market and strategic ICT technologies;

- Set EU level targets for innovation procurement and its key components for economic growth (R&D procurement, procurement of innovative solutions), and regularly monitor the progress of those investments across EU Member States, compared to other parts of the world;
- Increase significantly the total innovation procurement investments in EU funding programmes in order to strengthen collaboration on cross border innovation procurement projects. In this context, Europe needs to increase its investments not only in procurements that focus on the early adoption of innovative solutions but, even more intensively, its investments in R&D procurements, and in particular, in Pre-Commercial Procurements;
- Keep supporting the continuation and expansion of the European Network of National Competence Centres on Innovation Procurement in line with the above EU Council Conclusions. Facilitate cross-border collaboration between National and Regional Competence Centres.

As public procurement in the EU takes place predominately at regional and local levels, **we, the signatory countries, call on the European Committee of the Regions** to adopt a similar declaration, and support the promotion and re-inforcement of innovation procurement in the EU Cities and Regions.

All EU Member States and other EEA countries are invited to join this cooperation, as well as to join the European Network of National Competence Centres for Innovation Procurement. Additional signatories may adhere at any time.
