Financing innovation procurement – the Swedish case

2017-11-29
18.3% of GDP equivalent to annual public procurement in Sweden (EUR 69.7 billion)

3.3% of GDP equivalent to annual R&D investment in Sweden (EUR 14.6 billion)
“Stairway” of innovation in procurement

- **Implement**: open up procurement to include new solutions
- **Introduce**: procure new solutions
- **Initiate**: acquisition of R&D with the aim to arrive at new solution

Need for financing?

Negligible need for extra resources

Extra resources typically needed
What sources of finance is available?

- Internal resources (e.g. strategic financial resources or R&D budgets) – only larger contracting authorities
- EU (R&D framework programmes and possibilities within the structural funds)
- Some governmental agencies: e.g. Swedish Energy Agency and Swedish Environmental Protection Agency (only for buyer’s networks)
- Vinnova
Vinnova has three roles

- Investment in research and innovation
- National EU node
- Expert agency
300 million euro invested by Vinnova in research and innovation in 2016

Vinnova’s investments in public innovation procurement

• Development of innovation procurement financing:
  • Special pilot programme between 2011 until 2013
  • Governmental assignment 2013 – 2014
  • Part of larger programme focused on innovation in public operations 2014 – 2017
  • Also ”strategic projects” between 2014 - 2017

• Characteristics of financing:
  • Fairly small investment as a whole
Fairly small investments (with one exception)

(Main) applicants has to be procuring authorities

Financing only (no preparing or performing of procurements)

Support to many projects by the National Agency for Public Procurement

5 project types: pre-study, procurement, EU project, buyer’s network and knowledge

Both PCPs, negotiated proc., comp. dialogue etc. (no innovation partnerships yet)
Ongoing VINNOVA innovation procurement projects: 12 (total stock is around 40)

- **Green: procurement**
  - Nationellt samordnad innovationsupphandling av nya lösningar för positionering av patienter vid strålbehandling, Norrlands universitetssjukhus
  - Innovativ marksanering, Stockholms stad
  - Dekontaminerande tvätteknik, Räddningstjänsten Göteborg
  - IMAILE, Halmstad municipality
  - Innovationsupphandling för att motverka fall på sjukhus, Region Skåne

- **Blue: pre-study**
  - Internet of things för effektivare smittspårning, Innovation Skåne
  - IUpp arbetsmodell för små och medelstora kommuner, Skurup kommun

- **Grey: EU-projekt**
  - Electric roads, Swedish Transport Authority
  - IUPp för drift och underhåll, Trafikkontoret, Stockholms stad

- **Yellow: buyer’s network**
  - IUPp Karolinska universitetssjukhuset
  - Kunskapspaketering och spridning

- **Red: knowledge**
  - Beställargrupp välfärdsteknik
  - Beställargrupp boknings- och bidragssystem
  - Beställargrupp boknings- och bidragssystem
  - Innovationsupphandling för att motverka fall på sjukhus, Region Skåne
  - Beställargrupp boknings- och bidragssystem
Innovation procurement at Vinnova in the future

Expand into Vinnova’s general portfolio

Focus on capacity building (buyer’s networks, poss. lab)

Innovation partnership (an alternative to grants?)

Also: follow-up of projects planned for spring 2018, together with National Agency for Public Procurement.)
Innovation procurement financing in Sweden in general

• Hopefully more buyer’s networks, financed by themselves and other national agencies.

• Apart from that, little chance of national financers of innovation procurement (other than Vinnova)
  
  • National Agency for Public Procurement is not a financing authority, and there are no indication that this will change
Sweden’s Innovation Agency

www.vinnova.se