ERAC mutual learning seminar

Demand driven innovation policies and policy learning

Andrea Bonaccorsi
University of Pisa and ANVUR

Francesco Molinari
Project coordinator, Demand-driven innovation policies, Ministry of Economic Development
European Scenario

SILVER: EC co-funded PCP pilot started January 2012 (Supporting Independent Living of Elderly through Robotics)
CHARM: EC co-funded PCP pilot started September 2012 (Common Highways Agency Rijkswaterstaat Model)
V-CON: EC co-funded PCP pilot started October 2012 (Virtual Construction of Roads)
SMART@FIRE: EC co-funded PCP pilot started November 2012 (Integrated ICT solutions for Smart Personal Protective Equipment for Fire Fighters and First Responders)

Challenges

1. Awareness
   - Public Administration not aware of the potential of procurement for innovation

2. Inertia
   - risk aversion
   - budget constraints
   - inter-departmental separation and conflict within PA

3. Legal framework
   - potential conflict between competition law (Internal Market) and place-based innovation policies

4. Human capital
   - lack of technical skills to design and manage performance specifications (as opposed to technical specifications)
Policy learning at DPS (Department for Cohesion and Development Policies). 2010-2012

- Project for policy learning in the fields of Research and Innovation policies under Structural Funds
- Involvement of > 200 senior and middle-level officials at Regional governments (appr. 60 on demand-driven innovation policies)
- Groups involved into knowledge sharing and communities of practice
- Final goal: produce administrative and legal documents ready to be implemented for demand-driven innovation policies
- Start witty pilot implementation projects
The Italian model of innovative procurement

Adapted from the EC Communication No. 799 (2007)
The Italian model of innovative procurement

Step 1a
- Technological Foresight
- PCP Funding Programme
- Requirements Analysis

"Phase 0"

Step 1b

Step 1c
- Solution Exploration
- Prototyping
- Test series

"Phase 1"

"Phase 2"

"Phase 3"

Step 2a

Step 2b

Step 2c

“FCP”

WG Contribution
The Phase Zero of PCP

Diagram:
- Policy Objectives
- Service Areas
  - General Reqs
  - RDI Priorities
  - State of the Art
- Technology Domains
- Sectorial Trends
- "Phase Zero" (Technology Foresight)
- Specific Reqs
- "Phase One" (PCP)

Steps:
- Desk Analysis
- Interaction with stakeholders
The Phase Zero of PCP

- Policy Objectives
- Service Areas
- New (?) societal challenges
- General Reqs
- Desired functions and performance
- RDI Priorities
- Specific Reqs
- State of the Art
- Relevance to service areas
- Technology Domains
- Sectorial Trends
- Relevance to objectives
- Territorial presence
- Novelty to the market

"Phase Zero" (Timing and resources)

"Normal" procurement

"Phase One" (PCP)

Desk Analysis → Interaction with stakeholders
<table>
<thead>
<tr>
<th>Italian Regions</th>
<th>Status</th>
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<tbody>
<tr>
<td></td>
<td>Ongoing / Awarded PCP Calls for Tender (CfT)</td>
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<td>PCP CfT now under preparation</td>
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<td>Other (than PCP) public demand trials</td>
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<td></td>
<td>Attended PCP Working Group (WG) at DPS</td>
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<td>Did not attend the WG</td>
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<td>Showed interest in it</td>
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2013. Large national programme on demand-driven innovation. Joint scheme Ministry of Research- Ministry of Economic Development in Southern Regions. 150 mln euro

**Phase 0**
- Call for expressions of interests from within regional public administration in the territories of Convergence
- Collection, clustering and prioritisation of needs and requirements

**Phase 1**
- PCP call for solutions to the ranked needs and requirements
- Selection based on technological innovation and socio-economic impact criteria
- Contract signed with MISE/MIUR depending on R&D or Innovation prevalence in awarded projects

**Phase 2**
- A subset of prototypes to be pilot-deployed in the participant regions
- Commitment of public administration to host the pilots already gained in Phase 0
- New contract to be signed for small test series deployment of the prototypes
## Lessons from policy experimentation

| Regione Valle D’Aosta | Two awarded PCP (two-stage) calls in the context of Italy-France territorial cooperation  
Living Labs used to elicit public sector requirements and to promote pilot deployment locally |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Regione Lombardia     | Integration of PCP in innovation & healthcare policy  
Technical dialogue with the market launched  
PCP calls temporarily on hold |
| Regione Puglia        | PCP call for tender being awarded now (biggest in size, about 2M€)  
Thematic domain: “independent living”  
Technological foresight and local stakeholders used in Phase 0 |
| Provincia Autonoma di Bolzano (1 case), Provincia Autonoma di Trento (4 cases) | Single company awarded → not a standard PCP case  
Nevertheless → positive socio-economic impact |
| City of Turin, others | Different approaches (“First Commercial Procurement”, “Green Public Procurement”) – all legitimate! |
| MISE/MIUR             | Call for expressions of interest (now open) |