

Ladies and Gentlemen,

Let me begin by thanking you for your kind invitation to speak before you today. In this brief introductory talk, I should like to outline something of the importance of public procurement and of building links between public procurement, innovation and H2020. I know the importance and difficulties of public procurement in the field of innovation and research. In Portugal, I was Minister responsible Higher Education, Science and Innovation and, as such, I was directly responsible for executing a large and varied package of structural funds. These funds were devoted to such things as scientific equipment and advanced laboratories for research and higher education.

From this experience, I am aware of the difficulties that procurers are likely to face. Five stand out:

- **Risk linked:** The first involves the risks that arise from the misfit between the existing legal framework and purchasing innovative solutions. Moreover, there is also a danger that calls for tender are simply not answered given the newness of the technology and processes that the tender requests.
- **Wrong incentives:** public procurers can face legal action if they break the rules. By contrast, when successful public procurements are achieved, the procurer receives no reward.
- **Lack of strategy:** planning of procurement is useful for the supply chain to best prepare future solutions but procurers often do not adequately prepare the terrain with the result that the supply chain does not have the time to anticipate the intentions of procurers.
-

- **Lack of knowledge:** procurers are often simply unaware of what is actually available on the market and tend to stick with tried and tested solutions. This tends to mitigate against innovation.
- **Lack of political/ managerial support:** Often procurers lack political support when preparing and realising innovation procurement. When I was Minister in Portugal, I found that the best solution was to take direct personal responsibility as often high level civil servants were unwilling to take this responsibility themselves. I am gratified to say that the programme was fully executed with a margin of error of less than 1%.

Despite these hurdles, nearly one fifth of European GDP derives directly from public procurement. This represents 2 300 billion euro per year. Given the dimensions of this budget public procurement should be used in such a way as to foster as much productive innovation as possible. It is possible that efficiently used public procurement could actually create new markets that would better cater for the needs of European citizens.

To achieve those goals, it is essential to link public procurement with research and innovation and this is something that H2020 explicitly seeks to achieve. Compared to previous R&D&I European programmes, Horizon 2020 offers a whole range of new tools and "public procurement of innovative solutions" has been given a key place amongst them.

By way of conclusion, let me throw out a number of questions that I hope will serve to inspire our discussion.

- How might the European innovation procurement scheme support industrial policy?

The Power of the Purse - Public Procurement of Innovation.

Moderator of the 1st Panel Session: Linking Innovation Procurement to industrial policy and to innovative SME support

Maria da Graça Carvalho, Brussels, 9th of February 2012

- How could innovation procurement with regard to industrial policy be best developed within Horizon 2020 and COSME?
- How can we make use of public procurement to encourage innovative SMEs?
- How might we best link EU innovation procurement support with various national schemes in the EU-27?

Before handing over to our first speaker, could I remind panellists that limited time means that they should make their points in no more than five minutes.

Over to you Silvia Bartolini.

The Power of the Purse - Public Procurement of Innovation.
Moderator of the 1st Panel Session: Linking Innovation Procurement to industrial policy and to innovative SME support
Maria da Graça Carvalho, Brussels, 9th of February 2012

Second panel (16:10 – 17:35 hours): Speakers

1. Marion Dewar

Member of Commissioner Máire Geoghegan- Quinn Cabinet

- Innovation Union Policy, Group of Commissioners, EU 2020
- ERA, ERIAB
- JRC Institute for Prospective Technological Studies
- Social and Public Sector Innovation
- Science in Society
- Social Sciences and Humanities

2. Lieve Bos (DG INFSO)

Lieve Bos has been working at the European Commission as policy officer for pre-commercial procurement since 2006. Before joining the Commission's Directorate General for Information Society and Media in 2005, she had seven years of project manager experience in Alcatel-Lucent's Corporate Network Strategy Group. Education-wise Lieve has a background as a telecoms engineer (MSc University of Gent in Belgium and University of Manchester in UK).

The Power of the Purse - Public Procurement of Innovation.

Moderator of the 1st Panel Session: Linking Innovation Procurement to industrial policy and to innovative SME support

Maria da Graça Carvalho, Brussels, 9th of February 2012

3. Marek Havrda (DG SANCO)

Marek Havrda is a policy analyst - strategic policy analysis in the European Commission, Health and Consumer Protection Directorate-General where he mainly deals with innovation for health and consumers and provides socio-economic advice. Before joining the Commission, he held several executive positions and was engaged in a number of research projects in academia, think-tanks and international corporations (AT&T, Unicore, KPMG). Marek co-founded and led consultancy specialized in regional development in the Czech Republic. He was also executive director of leading Czech think-tank on European affairs, Institute for European Policy – Europeum.

Marek received PhD from the Department of Public and Social Policy, Charles University in Prague and he also obtained MPA from Warwick Business School. Marek holds MA degrees in Economics, International Studies and Sociology. He spent 2000/2001 academic year as a Fulbright visiting researcher at the School of Advanced International Studies (SAIS), Johns Hopkins University and also studied business government relations at Georgetown University.

4. Fergus Harradence (Deputy Director for Innovation Policy, Department for Business, Innovation & Skills, UK)

He joined the Department of Trade and Industry (DTI) in January 2000, working on skills development and labour market analysis. He then became Private Secretary to the Permanent Secretary for 18 months, before undertaking a 9 month secondment to the private sector with Ericsson, where he worked on corporate planning.

In 2003 he joined UK Trade & Investment as Head of the Gulf Unit, where he was responsible for helping British firms trade and invest in the countries of the Arabian Peninsula, Iran and Iraq. In May 2006 he returned to DTI as Head of the Multilateral Trade Negotiations Unit, where he had responsibility for co-ordinating UK Government policy on the Doha Round of Trade negotiations, and was the policy lead within the Department on the agriculture and environment dossiers.

In December 2007 he transferred to the Department for Innovation, Universities and Skills, now merged into the Department for Business, Innovation & Skills, to become Deputy Director for Innovation Policy, covering all aspects of domestic innovation policy in the UK, including strategy and communications, sponsorship of the Technology Strategy Board, and fiscal and investment policies that impact on investment in innovation, public procurement, and regulation

5. Alexandra Donny (Réseau Des Acheteurs Hospitaliers d'Ile de France – Public Procurer)

Dr Alexandra Donny is an expert in public law, public procurement and health sector (especially among elderly problems). She has a PhD in Public Law (2005), and has studied at

The Power of the Purse - Public Procurement of Innovation.

Moderator of the 1st Panel Session: Linking Innovation Procurement to industrial policy and to innovative SME support

Maria da Graça Carvalho, Brussels, 9th of February 2012

the French National School of Health (EHESP) to become a hospital and nursing home manager. Since May 2011, Dr Donny has been the Deputy Director of Resah-idf, which is a group purchasing organization for the Health and medico-social sector of Paris region (Ile-de-France) covering over 120 establishments with a procurement volume around 1 billion €

6. Dr. Jan van den Biesen (Philips)



Educated as a physicist at Leiden University, Jan van den Biesen spent one year as a postdoc at the University of California in Berkeley before joining Philips in 1983 to work on semiconductor research. After a one-year secondment to Hitachi's Central Research Laboratory in Tokyo in 1986/7, he held various R&D-related staff positions within Philips Research and Corporate Headquarters. In the mean time, he complemented his education with an MBA.

As Vice President Public R&D Programmes of Philips Research, he is coordinating Philips' participation in public programmes for R&D partnerships in Europe. In addition, he is representing Philips' R&D interests with public authorities in Europe. In this context, he is a regular speaker at conferences and hearings, and the chair of or an active member in various working groups, task forces and expert panels.

7. Juan Manuel Garrido Moreno (Spanish National Ministry)

Currently: Since 2008, serving as Public Procurement of Innovation Coordinator within CDTI (Centro para el Desarrollo Tecnológico Industrial), an entity belonging to the Ministry of Economy and Competitiveness.

Previously: In the period 2000-2007, served in the aircraft manufacturer AIRBUS acting in different positions such as A380 Design Office Engineer, A320 Family Industrial Manager, and lately Head of International Coop. and Transfer Projects.

- Cuerpo de Ingenieros Aeronáuticos del Estado (2007). Ministerio de Fomento (MFOM). Madrid
- M.Sc. in Space Business Management (MSS) (2002 – 2003). ISU. Strasbourg-Washington DC
- M.Sc. in Industrial Organization Engineering (2000 – 2005). Universidad de Jaén (UJA)
- M.Sc. in Aeronautical Engineering (1994 – 2000). Universidad Politécnica de Madrid (UPM)