

# MAIN ISSUES IN THE DEVELOPMENT OF INNOVATIVE PUBLIC PROCUREMENT IN ROMANIA

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**Abstract:** Public procurement accounts for around 14% of European Union (EU) gross domestic product, which means it has a huge potential to guide new developments in a number of sectors, help stimulate future markets and address key societal challenges. Introducing innovation is becoming efficient and effective towards more modern, competitive, and sustainable societies. As a general definition, innovative public procurement is the purchase of a new or better product or service that improves productivity, quality, sustainability and impact of the public sector. The concept of innovative procurement also refers to a legal framework that promotes innovative procurement (procurement procedure and contractual solution).

**Keywords:** innovative procurements, competitive, sustainability

## 1 INTRODUCTION

Over the past decade, most member countries of the Organisation for Economic Co-operation and Development (OECD) have developed a range of policies, tools and support measures to introduce more and better innovative public procurement (IPP) programmes, promoting the role of governments as innovation seekers, and confronting them with a more traditional model where the only role of governments in research and innovation (R&I) has been to provide funds to implement projects. The scope of IPP is expected to expand in the coming years for two main reasons:

- IPP will represent the largest share of public procurement as a percentage of gross domestic product (GDP);

- there is a need to develop more efficient and sustainable products and services for public use.

Public authorities that support the innovation process or the procurement of innovative goods and services are directly granted improved services at optimized costs.

This process leads to a new type of operational approach and wider dynamic effects of public procurement in the market or in public sector service structures.

Innovation can be a product, a service, a process or a tool to achieve public procurement. In innovative public procurement, the object can

be outcomes such as effectiveness, performance, quality or operational requirements.

Often, challenges can be addressed through innovative solutions that are close to or already in small numbers on the market and do not require research and development. This is when innovative public procurement (IPP) can be used efficiently.

In other cases, solutions close to the market do not yet exist and further R&D is needed. Pre-commercial procurement (PCP) can then be used to compare the advantages and disadvantages of approaches to alternative competing solutions. This will allow you to eliminate the risks of the most promising innovations, step by step, by designing solutions, creating prototypes, developing and testing the products.

## 2 OBJECTIVES REQUIRED DURING THE IMPLEMENTATION OF AN INNOVATIVE PROCEDURE

Pre-commercial procurement (PCP) identifies the best possible solutions that the market can develop by comparing alternative solution approaches of different technology providers side by side. By focusing the development of innovative solutions on the concrete needs of the public sector, PCP can encourage industry to initiate research and development activities that were previously unthinkable.

Buyers also share the risks and benefits associated with the intellectual property rights (IPR) of new developments with the research and development (R&D) providers participating in the PCP. Intellectual property rights are retained by R&D providers who participating in the procedure,

Innovative Public Procurement (IPP) focuses on innovative solutions that are not yet commercially available on a large scale. These include also solutions based on existing technologies that are used in a new, innovative way. Solutions may have been (partially)

successfully demonstrated on a small scale (e.g. field testing of a first set of products) and are close to or already available in small quantities on the market.

Nevertheless, due to residual risk or market uncertainty, innovations are not yet produced on a large scale. In IPP, purchasers act as innovation seekers, also called first buyers of innovative solutions.

Over the past decade, most member countries of the Organisation for Economic Co-operation and Development - OECD have developed a range of policies, tools and support measures to introduce more and better IPP programmes, promoting the role of governments as innovation seekers, and facing a more traditional model where the only role of governments in research and innovation (R&I) has been to provide funds to implement projects.

The scope of IPP is expected to expand in the coming years for two main reasons:

- IPP will represent the largest share of public procurement as a percentage of GDP

- there is a need to develop more efficient and sustainable products and services for the public interest.

Public authorities that support the innovation process or the procurement of innovative goods and services are directly granted improved services at optimized costs.

This process leads to a new type of operational approach and wider dynamic effects of public procurement in the market or in public sector service structures.

In order to make an innovative purchase, the following aspects must be taken into account:

### *Starting the acquisition early*

Innovation procurement can take time, which is why it is important to plan ahead and ensure sufficient time for thorough assessment and understanding of needs and to notify the market early of the beneficiary's intentions.

### *Market knowledge*

A thorough understanding of market potential. The supply chain for an innovative product or service is critical, and market research and preliminary market consultation are important tools for improving your offer and achieving the end result. The main purpose of preliminary market consultation is to check the current situation before launching a procurement procedure. Innovation procurement requires good preparation on the part of the public purchaser. In order to better understand the relevant market, public purchasers can communicate with potential suppliers in pre-market consultations. These can be used to gather information, in particular on price structure and market capabilities. Suitable innovative solutions may already exist or could result from adapting or combining existing ones. The market may also develop an innovative solution in time, provided it has the possibility to do so.

Adequate prior market consultation can help overcome a recurring problem observed in the application of public procurement rules, namely the absence or insufficiency of prior market research, leading to unrealistic or outdated specifications.

A prior market consultation can take various forms. In some cases, public purchasers may already have a good understanding and an accurate overview of the market and therefore only need some minor clarifications or updates, while in other cases in-depth research may be needed to acquire the necessary knowledge to launch a procurement procedure. There is therefore no generally valid approach to pre-market consultations.

### *Active risk assessment and management*

The best innovative procurement procedures regularly assess risks and act on them. Establishing a project steering group that can communicate effectively and manage risks as they arise can be a useful governance solution

for these. Risk management mechanisms such as credit, insurance or guarantee schemes could also be explored. In fact, insurance or guarantee mechanisms have already been tested to offset innovation risks for public procurers, in particular to cover potential damages in case of non-implementation of the solution. Such a system contributes to reducing the risk borne by the purchaser, which would have the effect of creating confidence among stakeholders.

### *Overcoming risk aversion by creating incentives for innovation*

It is important to recognize that innovation procurement involves risk, for example, unsuccessful delivery of a product or service, a mismatch between the expected results and the delivered solution, etc. Public purchasers are often skeptical about the additional risk involved in public procurement procedures because they are managing public money. In addition, not being subject to market pressures like economic operators, the risk arising from the procurement of innovative solutions is more difficult to justify. This is why these concerns should be taken into account when designing innovation procurement projects. Overcoming risk aversion is a matter of changing the motivation for public procurers using financial and non-financial incentives.

### *Encouraging competition*

The European Public Procurement Directives allow exceptions in exceptional circumstances to the general rules that competitions must be conducted anyway and must provide the necessary evaluation and improvement. Publishing a notice of intent and investing in advertising in the form of an advertisement in the trade press can attract a large number of potential competitors. Attracting innovators, especially high-tech start-ups and innovative SMEs, is one of the main challenges facing public procurement in the field of innovation.

In some sectors, these companies rely heavily on public procurers for the use of their innovative solutions, while public procurers may need their innovation potential to deliver state-of-the-art public services. At the same time, start-ups and SMEs often lack the robust capabilities and performance typically required by public purchasers. The first step to receiving an innovative bid is simple: engage with the market. Direct referral to an economic operator can solve both problems. As with promotional presentations, direct addressing can convince even an otherwise skeptical company to work with public purchasers.

#### *Using flexible procedures*

Procedures such as innovation partnership, competitive dialogue or competitive procedure with negotiation, allow greater interaction with the market to improve requirements. However, they require additional time, so it is important to consider the resource implications when choosing a flexible procedure over an open or restricted procedure.

#### *Specify reduced*

Functional or performance - based specifications allow suppliers the flexibility to propose and design different solutions. A fair balance to the required specifications gives the market the opportunity to know exactly what you want without dictating the suppliers' way of working. When procuring innovation, the right quantity, quality and timing of information can help understand the organization and the challenge at hand.

#### *Accessibility of information*

When it is possible to share the information, researchers and companies can use it, which allows solutions to be found even before the acquisition starts. When conducting an acquisition of this kind, the quantity, quality and timing of the information is very important. Standards, open data, open interfaces and open

source software are another way of opening up markets. They can create the space for smaller innovators to play a role in larger projects or to enable smaller innovators to win contracts on their own and grow their business. However, contracts should establish rules on access to pre-existing intellectual property rights needed to complete the innovation process and access to new intellectual property rights created through the innovation process.

#### *Establishing intellectual property strategy*

In order to take advantage of the benefits of innovation that are most important to it, without paying unnecessarily for rights and options that will not be used, the contracting authority should develop an intellectual property rights (IPR) strategy that takes into account the likely future applications of the product or service it is procuring. Issues to be considered include the future ability of the authority to change service providers and whether this design could be licensed to other users of the service. Public purchasers need to ensure that the allocation of intellectual property rights in their procurement takes into account the applicable IPR legal framework in Europe and at national level, such as, for example, provisions on minimum usage rights of legitimate users of software, databases, etc.

Notwithstanding this IPR legal framework, the EU public procurement directives and state aid rules leave open the possibility to require in the tender documents the transfer of intellectual property rights from the participating economic operator to the public purchaser. Public purchasers have two basic options for the allocation of intellectual property rights arising from a project, ranging broadly from the public:

- purchaser requests the transfer of new intellectual property rights; or
- the public purchaser does not request such a transfer and the intellectual property rights remain with the contractor.

As these rights are a valuable asset and can have an impact on the attractiveness of public procurement for innovators, public purchasers should clearly define in advance in the tender documents how the intellectual property rights associated with the public procurement contract will be allocated, taking into account the various interests at stake, i.e. public interest and policy objectives.

#### *Internal cooperation in public administration*

Solutions based on specific needs do not recognize administrative boundaries. It is important to recognize the different interfaces and cooperation possibilities of different administrative units in order to guarantee the cost-effectiveness of the IPP process.

Cooperative public procurement in general and the use of permanent structures for this purpose in particular have several characteristics that facilitate public procurement in innovation:

- Facilitates the involvement of qualified staff with the expertise to articulate specialized and complex needs, to engage with the market in a structured way and to develop procedures that will lead to innovation;
- generates the economies of scale needed to create first markets for innovative products and services;
- ensures greater impact of innovative solutions, as each solution can be used by different public purchasers.

However, it is important to note that it must be ensured that cooperative procurement as such will not lead to the closure of the public procurement market for individualized or customized products through too much standardization.

Collaborative procurement can also take less structured forms, such as networks of public purchasers and associations of public purchasers joining forces on an ad hoc basis to solve problems arising during the procurement procedure.

#### *Cooperation with academic environment for innovative procurement*

Academic environment and innovative procurement are two areas where they can interact in many ways. Academic environment is a place where research and innovation are often at home, and innovative procurement can be a way of bringing new technologies and ideas to campuses and the wider academic community.

University research and development: Universities are often places where research and development is carried out in a variety of fields, from science and technology to the humanities and the arts. This research can lead to the development of learning technologies that can then be implemented in society.

Partnerships between universities and companies. Many universities collaborate with companies in research and development projects. These partnerships can also involve innovative procurement where universities can purchase technology or equipment from companies to support their own research projects.

Many universities host business incubators or start-up support programs on their campuses. These start-ups can develop innovative products or services that have applications in various fields. Supporting these start-ups can be done either by purchasing from them the products and services they offer or by providing funding for further development.

Universities can use innovative procurement to bring state-of-the-art technologies to their campuses to support teaching and learning processes, for example, the purchase of virtual or augmented reality equipment for science labs, the purchase of advanced software for data analysis in areas such as social sciences, or the purchase of recording and editing equipment for audio-video production suites.

Universities are often concerned with sustainability and reducing environmental impacts. Innovative procurement can include

investments in green technologies such as solar energy systems, water recirculation and purification systems, or sustainable and energy-efficient building technologies

Innovative procurement can be used to support innovation in academic management processes, including areas such as student administration, curriculum planning, performance assessment and human resource management.

By using innovative procurement, universities can remain competitive in a changing academic environment, support cutting-edge research and provide a quality learning experience for their students.

*Cooperation between EU countries for innovative procurement.*

Cooperation is an important aspect of the EU's strategy to promote innovation and competitiveness in the global market. There are several initiatives and instruments within the EU that facilitate this type of collaboration.

The Horizon Europe Programme: This is the EU's framework programme for research and innovation for the period 2021-2027, which includes a number of initiatives to support innovative procurement and collaboration between Member States for the development and deployment of advanced technologies.

The Public-Private Partnerships Initiative with EU supports public-private partnerships in areas such as information technologies, communications, health, energy and the environment to stimulate innovation and develop advanced solutions.

The Innovative Procurement Platform was created to help public authorities from different European countries to cooperate and share best practices in the field of innovative procurement. It facilitates the exchange of information and supports the identification of potential partners for innovative procurement projects.

EU Structural and Investment Funds can be used to finance projects in EU regions, thus

contributing to reducing development gaps and promoting innovation across the Union.

Competitiveness and Innovation Programme (CIP) supports innovation and competitiveness by providing funding and technical assistance for transnational procurement projects.

Through these initiatives the EU encourages collaboration between Member States to harness the potential of innovation and to address common challenges in various fields, thus strengthening Europe's position on the international innovation and economic competitiveness scene. In view of the fierce competition in the innovation market, i.e. USA, China, India, the only chance the EU has in this field is cooperation between Member States.

*Procurement competence and capacity (contracting authorities)*

Procurement of new solutions requires competence in the different types of procurement procedures and an understanding of the purpose and benefits of Public Procurement of Innovative solutions (PPI). The use of different networks to increase the efficiency of PPI ensures the exchange of experience and contributes to the recognition of innovative procurement topics, puts innovation at the heart of local economic policies, with motivated and qualified staff. Professionalism is one of the key success factors. This capacity can be developed through in-house training, targeted recruitment, using external experts and consultants or by pooling expertise with other public procurers. Even at a lower level of ambition, a good knowledge of the market and the ability to use the basic tools offered by EU rules, such as the criteria for the most economically advantageous tender (MEAT) or functional requirements, will be useful. This learning process is not only for public purchasers. Businesses, especially start-ups and innovative SMEs, also need to gradually engage in innovation-oriented operational processes

with the public sector and become familiar with specific administrative practices.

#### *The purchase contract*

The contract that is concluded and its proper execution is the result of the procurement. If a framework or phase contract is used all future changes should be clear. Performance indicators, supplements and penalties, license rights, renewal or termination clauses, and insurances and indemnities are very important issues. None of the tools described above will work if the contractual clauses do not reflect relevant, innovation-friendly aspects. If the public procurement contract is awarded based on quality or performance criteria, but contractual penalties such as price indexation or early termination of the contract cannot be foreseen, the public purchaser could lose the opportunity to achieve an innovative solution. This could also lead to different forms of compensation.

Contract performance clauses should include at least the following:

- contract performance criteria, measurable indicators of quality and performance objectives;
- withdrawal clauses in case of non-performance or if the market offers a more suitable solution than the one being implemented (with fair withdrawal conditions for the supplier);
- contract amendment clauses, given the unpredictability and the high potential for further innovation found during contract performance.

Contract performance clauses may also include so-called cost analysis clauses. The latter encourage suppliers not only to deliver solutions that meet performance requirements, but also to further improve the quality and cost of the solutions delivered during the implementation phase. These clauses may

provide for the payment of bonuses to suppliers for improving the quality of solutions; thus, the additional cost savings they achieve for the public purchaser during contract implementation could be shared with suppliers.

The process of acquittals requires the allocation of the following categories of resources:

- Internal organisation: creating an inclusive process and involving all necessary stakeholders within the organisation;
- use the expertise and knowledge of different existing networks

The team model has proven to be very effective in IPP. The person in charge of public procurement will surround himself with multidisciplinary experts, draw up the timetable for public procurement and organise the whole process. The necessary resources should be openly discussed within the procurement network. Communicating knowledge in the network remember that, as a purchaser, you are also part of the network!

Before starting the IPP process, the acquirer should do the research and check if someone has already done something similar or if a new implementation model or solution is needed that also supports the organization. The purchaser should also consider possibilities for cooperation with other organizations. Cooperation often increases cost-effectiveness and offers the opportunity to learn different tools to purchase products or services.

Short-term, year-to-year budgeting means that public procurement is often limited and dispersed. Budgeting will be difficult if the procurement contract is based on impact assessment and thus will be followed by either bonuses or penalties. New solutions require planning well in advance of the tendering process and puts pressure on economic planning for longer times.

## 3 FINANCING INNOVATIVE PROCUREMENT

### 3.1 *Financing instruments*

Funding instruments in support of innovative public procurement have been developed (notably through the HORIZON 2020 R&D programme) to stimulate the development of innovative solutions in areas of high interest which, given the risks, duration and costs of research, are difficult to procure through a traditional public procurement procedure.

PCP actions target consortia of procurers with similar procurement needs who wish to jointly procure the development of innovative ICT-based solutions for the modernization of public services while creating development opportunities for industry and researchers in Europe in new markets. This topic is open for proposals for preventive financial control, (PFC) actions in all areas of public sector interest requiring innovative Information and Communication Technology (ICT) -based solutions.

Under PCP procurement, the maximum funding rate for eligible costs is 90% of procurement expenditure.

PPI can be used when public interest challenges can be addressed through innovative solutions that are close to completion, and there is no need to procure research for cloud solutions. In this case, suppliers can purchase existing solutions to test and deliver them on time as part of the products/services they will provide. An example of a PPI application for a particular domain is given below. It can be extended to any domain. Under PPI purchases, 35% of the purchase costs can be reimbursed.

Coordination and Support Actions (CSA) - Funding rate: 100%. Coordination activities are funded, e.g. preparation of a PCP or PPI by a group of procurers (identification of common challenges, open market consultation with industry before initiating a concrete PCP or PPI,

etc.). The specific challenge in the Horizon 2020 call is to promote excellent research and innovation collaboration on future and emerging technologies to secure and renew the basis for future European development and competitiveness that will make a difference to society in the decades to come.

The three funding instruments are not mutually exclusive but should be used in a complementary way.

### 3.2 *Another way of financing is through state funding*

These can play a crucial role in stimulating innovation and progress in different sectors. Ways in which the state can fund this activity are:

- Specific government budgets.  
Governments can allocate special funds for innovative procurement in various fields, such as technology, renewable energy or infrastructure.  
These funds can be used to purchase innovative technologies and solutions that solve specific problems or improve efficiency and performance in different sectors.
- Grant and subsidy programmes:  
Governments can launch grant and subsidy programmes for businesses and organisations developing innovative solutions. These grants can be used to support research and development, as well as to fund the procurement and implementation of innovative solutions.
- Public-private partnerships.  
Their role is to share costs and risks between the public and private sectors. Special government innovative procurement programmes, which solicit proposals for innovative solutions to specific problems or needs of the state.
- Tax incentives.  
They can be granted at government level to firms that invest in innovation and



innovative procurement. These incentives may include tax rebates, guaranteed tax credits, or other tax benefits. These financial initiatives can help to create jobs and solve social and environmental problems.

## 4 IPP PROCEDURES IN ROMANIAN LAW

### 4.1 *Competitive dialogue*

The contracting authority is entitled to apply the competitive dialogue procedure for the purchase of works, products or services if, following an open or restricted tendering procedure, only non-compliant or unacceptable tenders have been submitted and at least one of the following criteria is met:

- the needs of the contracting authority cannot be met without adapting the solutions readily available on the market;
- the works, products or services include design solutions or innovative solutions;
- the contract cannot be awarded without prior negotiation because of specific circumstances relating to its nature or complexity or to its legal and financial structure or because of the risks involved;
- the technical specifications cannot be defined with sufficient precision by the contracting authority by reference to a standard, a European Technical Assessment, a common technical specification or a technical reference.

The contracting authority is not obliged to publish a contract notice for the competitive dialogue if it invites to the award procedure only those tenderers who, in the previous open or restricted procedure, met the qualification criteria and submitted tenders in accordance with the formal requirements of the award procedure.

In order to apply this award procedure, the contracting authority must draw up a procurement strategy by means of which it must

prove that at least one of the above criteria has been met. The justification in the procurement strategy must be considered as convincing by the authorized representatives of the National Agency for Public Procurement (ex-ante control) and the tender documentation must be accepted.

In addition, after the award of the public procurement contract, the institutions responsible for ex-post control will analyze the justifications of the contracting authority for the choice of the award procedure as an exception and may apply financial corrections if the arguments are not considered to be enlightening.

Advantages of using the competitive dialogue procedure:

- allows identification and definition of the best means of meeting the needs of the contracting authority;
- it offers the possibility of selecting a candidate who best understands the specifications and complexity of the contract;
- allows customisation of products/services/works to meet the needs of the contracting authority.

### 4.2 *Innovation Partnership*

The Innovation Partnership aims to research, develop and procure new works, products and services on a commercial scale.

In order to apply this award procedure, the contracting authority must draw up a procurement strategy by means of which it must demonstrate that the needs for the innovative product, service or work cannot be met by purchasing products, services or works available on the market at that time and demonstrate the application of the concept of innovation as defined by the Public Procurement Act. The justification in the procurement strategy must be considered as convincing by the authorized representatives of the National Agency for Public Procurement with ex-ante control and the tender documentation must be accepted.

With regard to the qualification and selection of candidates, the contracting authority shall establish, in particular, criteria relating to the capacity of the candidates in the field of research and development, the development of innovative solutions and their implementation. In order to apply this award procedure, the contracting authority must draw up a procurement strategy by means of which it must demonstrate that the needs for the innovative product, service or work cannot be met by purchasing products, services or works.

The Innovation Partnership is carried out in successive phases, following the sequence of stages in the research and innovation process, which may include the manufacture of products, the provision of services or the completion of works.

The Innovation Partnership shall set objectives. The Innovation partnership sets interim milestones to be achieved by the partners and the payment of the price in appropriate instalments.

The Innovation Partnership is designed as a multi-stage process:

- a competitive stage involving the selection of the partner or partners who best match, in terms of competencies, skills and price, the criteria set by the contracting authority in the documentation a research and development stage, in which the partner or partners develop the new solution in collaboration with the contracting authority. During this phase, the number of partners initially selected may be gradually reduced, depending on whether the previously defined criteria are met;
- a commercial phase, where the partner delivers the final solution.

Disadvantages of using the Innovation Partnership procedure:

- limited number of applicants that can apply - may lead to financial corrections;
- the burden of proving the circumstances allowing the use of the procedure lies with the contracting authority;

- the minimum criteria set by the contracting authority, the award criterion and the evaluation factors, cannot be subject to negotiation;

- the risk of limiting participation to market operators with a high level of specialization may lead to the application of financial corrections;

- very long time periods for the award of public procurement contracts.

Competitive dialogue is often used for large or complex projects where technical specifications cannot be properly defined in advance.

For both very large and smaller innovative projects, the innovation partnership should be structured in such a way that it can ensure a level of market demand (market-pull) that stimulates the development of an innovative solution without restricting market access.

## 5 IDENTIFIED ISSUES RELATED TO INNOVATIVE PROCUREMENT

Despite the possibilities offered by national public procurement legislation for the purchase of innovative products/services/works there are still uncertainties across the public administration that affect their application in practice. At national level, there is a need for guidance and debate on the uptake of the European strategic objectives on innovation and their connection to public procurement. In order to become capable of understanding and fostering the new approaches needed to solve complex societal problems, contracting authorities/entities must first and foremost acquire new tools, knowledge, skills and connections to identify appropriate possibilities for managing the process of generating social benefits through innovative solutions.

At national level there is a low use of public procurement procedures that can promote the development of innovative solutions (e.g. competitive dialogue, competitive negotiation, innovation partnership). With regard to innovation partnership, there is a limited understanding of

this type of public procurement procedure as it is a newly introduced procedure in the European and national public procurement legislative framework, for which no specific guidelines have been developed for its application by contracting authorities/entities. In addition, at the moment, even if contracting authorities/entities had the necessary knowledge to carry out the innovation partnership procedure, it cannot be carried out by electronic means, due to the lack of technical facilities available in Electronic Public Procurement System (EPPS equivalent to the abbreviation in Romanian SEAP).

Clarification is needed in the national legal and public policy framework on the types of procurement and procedures that can stimulate innovation, i.e. public procurement of research and development (referred to at European level as pre-commercial public procurement), public procurement of innovative solutions (a new solution which is almost introduced on the market or which already exists in small quantities on the market and does not require a research and development stage and the innovation partnership procedure (which allows contracting authorities/entities to purchase both the research and development process and the implementation of the innovative solution). The lack of a legal and policy framework for public procurement R&D innovation, including guidelines and instructions, leads to a lack of expertise and experience at the level of public entities to use this type of public procurement or innovation procedures and criteria.

In this context, public procurement staff are not aware of the benefits that public procurement innovation can generate and prefer to implement procurement procedures with which they are familiar, as well as the frequent use of the "lowest price" criterion. This indicates that contracting authorities/entities do not pay enough attention to quality, sustainability and innovation, coupled with the fear of negative effects from potential mistakes in the use of criteria that encourage innovation

(e.g. sanctions imposed by public procurement control authorities).

Moreover, at national level there is no information available on the objectives of contracting authorities/entities and the inclusion of innovation criteria in public procurement processes and no information on the level of achievement of these objectives. Currently there are no filters in SEAP to retrieve information on public procurement innovation and therefore it is not possible to monitor the extent to which contracting authorities/entities use innovation criteria and, at the same time, it is not possible to adequately substantiate related public policies. The same problem is identified in the case of green and socially responsible public procurement.

In terms of stimulating and promoting public procurement of innovation, we identify some additional problems. Firstly, specific institutional structures and a framework for inter-institutional collaboration to promote this type of public procurement have not been regulated. Secondly, a dialogue between public authorities and institutions and economic operators developing or having the potential to develop innovative solutions has not been facilitated. Innovative public procurement represents an opportunity for both contracting authorities/entities and economic operators and, last but not least, for the population. The strategic potential of public procurement for innovation is very high, especially in supporting technological development in the public sector, which can motivate economic operators to innovate and adopt new technologies by integrating innovative criteria and market consultation.

## 6 CONCLUSIONS

Public procurement for innovation also offers multiple opportunities for start-ups, as highlighted by the European Commission in its recently adopted SME strategy and action plan

on intellectual property rights. In addition, at the end of 2020, the Council of the European Union presented some conclusions on stimulating investment through public procurement

One of these conclusions included a recommendation to establish platforms to enable interaction between public authorities and technology providers to encourage the involvement of start-ups, specialized in advanced technologies, in the development of innovative solutions to meet public sector needs. At present, there is no visible involvement of public authorities in the development of a market for this type of economic operators, even if they have a large purchasing power (due to the budgets they manage, and in the context of the implementation of the National Poverty Reduction Programme - NPRP).

Unfortunately, the current legal financial framework does not contain clear provisions regarding the options available to public authorities to finance projects with an innovative component, such as those that can be implemented through the Innovation Partnership.

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