

Fact Sheet
Fact Sheet
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**European Public
Procurement Landscape**
The case of Italy.



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In Italy, the implementation of innovation-oriented procurement projects has remained fragmented for a long time without a defined institutional framework.

Especially in the period of sharp contraction in economic resources, most of the efforts of policy makers have focused on the rationalisation and efficiency of the processes underlying traditional procurement.

Overall, the Italian public procurement system is decentralised¹:

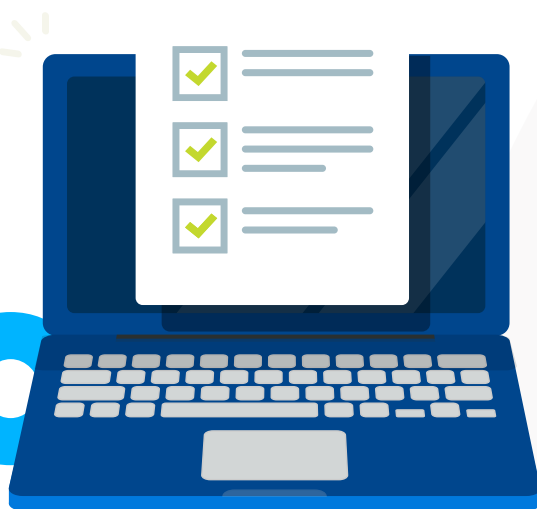
it is composed of more than 20.000 contracting authorities active at a local, regional and national level.



In addition to these decentralised procurements, there is also some centralisation of public procurement happening through a **CPB-Central Purchasing Body** and 31 main purchasing bodies (so-called *soggetti aggregatori*) at regional and local level which represent approximately half of the procurement expenditure in the country. **The rationale behind the centralisation of procurement is to take advantage of economies of scale.**

1. <https://ec.europa.eu/digital-single-market/en/news/benchmarking-national-innovation-procurement-policy-frameworks-across-europe>





CONSIP³ manages the MePA⁴ platform (Electronic Market of the Public Administration), the virtual market for online purchases of the Public Administration, where public administrations meet the suppliers authorised to provide goods and services.

3. <https://www.consip.it/>

4. <https://riigihanked.riik.ee/rhr-web/#/>

5. <https://procure2innovate.eu/home/>


Italy does not have a permanent, officially appointed competence centre for innovation procurement.

However, the national purchasing body, CONSIP, is currently participating to the EU-funded project "Procure2Innovate - European network of competence centres for innovation procurement"⁵, with the aim to establish a national competence centre for innovation procurement in Italy in the framework of the project.

Other active actors are the **Ministry of Education, University and Research (MIUR⁶)**, promoting the importance of the public sector as a buyer for research and innovation a regional level, the **Lombardy region** has taken a leading role in innovation public procurement, both in terms of PCPs and PPIs, having approved and set up an all-encompassing **policy** (Regional Guidelines and Governance Framework), **legislation** (Regional Law n.29/2016 "Lombardy is Research and Innovation")⁷ and **implementation** (PCP pilot promoted in 2012 by Niguarda Hospital and 3 PCPs in health care sector financed with funds from the 2014-2020 POR-FESR) framework, **creating the basis for the establishment of a regional competence centre on innovation procurement in the health care sector.**

6. <https://www.miur.gov.it/>

7. <https://www.clusterlombardomobilita.it/en/lombardy-research-innovation-law/law-29-2016--lombardy-is-reasearch-and-innovation->



The Lombardy region is supported by ARIA, the innovation and procurement regional Company of Regione Lombardia. The Company operates as a link among the Public Administration, the market, Companies and Citizens to improve the quality of life and the competitiveness of the companies through innovation and purchases. Another important Italian player is the Agenzia per l'Italia Digitale - Agency for Digital Italy (AgID)⁸ that supports digital innovation and

promotes the dissemination of digital skills, also in collaboration with international, national and local institutions and bodies. AGID deals with bringing public demand to the market and with the involvement of other institutions and industrial associations, has developed the platform Appaltinnovativi.gov, whose aim is to stimulate public demand for innovation and the encounter with the offer of original and innovative solutions.

In the benchmarking of national innovation procurement policy frameworks across Europe⁹,



Italy is at the **12th position** of the overall ranking with a total **score of 33,3%.**

From the 30 countries analysed, Italy is among the group of moderate performing countries in implementing a mix of policy measures that are conducive for mainstreaming innovation procurement. Having implemented only 33,3% of the policy measures to roll-out a comprehensive policy framework for innovation procurement, there is however still a significant reinforcement of the policy framework needed in Italy to reach its full potential.

8. <https://www.agid.gov.it/en>


9. <https://ec.europa.eu/digital-single-market/en/news/benchmarking-national-innovation-procurement-policy-frameworks-across-europe>

10. https://www.cnr.it/sites/default/files/public/media/Relazione_2019.pdf

11. www.mise.gov.it/images/stories/documenti/Executive-Summary-of-Italy-s-Startup-Act-new-format-23_02_2017.pdf

According to the "Report on research and innovation in Italy" conducted by the CNR¹⁰ (National Research Council), a first step towards defining a favourable institutional framework is in the "Growth 2.0 Decree" (Decree Law 179/2012, converted into Law 221/2012¹¹) which, embracing a heterogeneous range of interventions aimed at creating the Digital Agenda, provided with article 19 the implementation of "Large research projects and pre-commercial procurement" recognising the importance of public demand as a lever to stimulate innovation.





The transposition of the European directives of 2014 then represented the occasion for a further reorganisation of the whole matter by launching a process of empowerment of the public buyer, which was accompanied by a regulatory, administrative and organisational simplification of the entire public procurement sector.

Progress in the legislative field was followed by a series of initiatives in the planning phase of the policies that have helped to redefine the structure of tasks and responsibilities, channelling new resources towards public demand for innovation.

Currently the main reference documents for PPI in Italy are:

1. **THE PUBLIC PROCUREMENT CODE** (Codice degli appalti pubblici)¹², that provides indications on how to apply the PPI and how it works;
2. **SUSTAINABILITY REPORT 2018**, conducted by Consip¹³;
3. **REPORT ON RESEARCH AND INNOVATION IN ITALY**, conducted by the CNR in 2019¹⁴.

The Public Procurement Code includes measures aimed at strengthening the **National Anti-Corruption Authority (ANAC)**¹⁵ functions in the national public procurement system. ANAC exercises a supervisory role on public contracts and implements soft regulations, e.g. public statements, concerning the public procurement system of Italy, including innovation public procurement.

According to the analysis of the 14 interviews conducted with key stakeholders, **public authorities should use public procurement strategically** in the best possible way to stimulate innovation. This would help to achieve a more advantageous quality / price ratio as well as greater economic, environmental and societal benefits through the generation of new ideas and their translation into innovative products and services, thus **promoting sustainable economic growth**.

12. <https://www.codicecontrattipubblici.com/>

13. https://www.consip.it/sites/consip.it/files/CONSIP_RapportoSostenibilita_2018_WEB.pdf

14. https://www.cnr.it/sites/default/files/public/media/Relazione_2019.pdf

15. <http://www.anticorruzione.it/portal/public/classic/MenuServizio/ENG>





To give a boost to the panorama of the PPI **seems to be necessary to have a political vision**, including allocating resources and giving a legal "obligation" of a certain amount of procurement of innovation that cannot exist on its own.

Analysing the Italian scenario bottlenecks, a significant resistance to change from the procurers' side was pointed out, including risk aversion to novelties, in particular at corporate level. These cultural resistances are attributable to a lack of knowledge, skills and competences as well as a lack of incentives, not foreseen for the procurers promoting innovation, which consequently do not want to take the risk and prefer to adopt conventional,

Although public administrations need to rely on trained staff (external or internal), who can prepare and implement the calls, **specialised personnel with technical skills, capable of conducting innovative contracts, is missing in Italy.** The capacity of administrations should be strengthened, as well as procurers' awareness and knowledge (and good practices) transfer is necessary. Internal staff should be supported/assisted in implementing innovative procurements through PPI and PCP instruments.

There is a common difficulty by procurers to understand what type of measures need to be applied (PCP, PPI, Market consultation or state aid) and **who is the main beneficiary of the innovation.** If it is the company or the research institute that is promoting the research, the instruments to be used should be "state aid", if the beneficiary is the procurer or the public administration PCP or PPI could be used.

In Italy the problem is not the innovation, rather the process.

There are few guide articles on the Italian procurement code that can be used to procure innovative solution and few rules, so it is difficult to understand how to apply the tools without making mistakes. Due to bureaucracy of the Procurement Code, which imposes too many operations, in the verification phase of the requirements, many public administrations prefer traditional tools and perceive PPIs as an unnecessary complexity, compared to conventional solutions that could respond likewise to the problem. The regulatory obligations, which are not so easily modifiable, are far from the innovation process.





Guidelines should be drawn up, promoting good practices


and this should be done by experts with technical skills, but there is no involvement of them in the drafting of the specifications. The innovative contracts must never be made only by the legal offices, but in collaboration with the technical / scientific directors. It would be useful to have a definition of the specific contents of the PPI calls that do not prevent participation (including start-ups), access to channels (start-ups, SMEs, innovators) and networks.

Resources and funds are lacking

in some domains. There is **neither global vision nor specific policies and budget allocation** for PPI. **It is necessary to get used to thinking in a life cycle cost perspective**, considering external long-term impacts on the environment and society. Equally important is the definition of KPIs, or strategically set the objectives and define measurable KPI for long term impact.

There is a need for **more tools** for public administrations,

more opportunities to understand what best fits specific needs to provide dedicated advices and support to procurers.



In Italy there are already several consultants, competence centres, innovation brokers (public and private) with the purpose of helping the public administration to understand what tool they should adopt, avoiding possible obstacles, legal problems and more potential risks of lawsuits for not choosing traditional solutions, but innovative ones.

Another fundamental point is that of the **lack of participation in European projects to export and share experiences**. In Italy we have many excellences not connected. **Creation of a Networking, community of professionals exchanging experiences and best practices is needed.**

In conclusion, there is a strong need to increase the awareness, exchange good practices, build capacities and establish competence centres dedicated to the procurement of Innovation. To support this process as PRONTO project, **we can help to raise awareness, stimulate the debate, boost the**



Finally, since in Italy innovation is often more related to ICT, there is a strong interest in using PPI to foster sustainable development in Italy, where the bioeconomy and circular economy sectors are very proactive and well developed. The majority of the interviewees we approached are really interested in how the procurement of innovation can support the green side of the procurement, therefore it **is important to facilitate the connection between the green procurement and the innovation procurement**, which are not really connected.

capacity building of procurers and facilitate the cultural change and the exchange of good practices, for instance by collaborating with other projects like procure2innovate, which is creating competence centres for procurement of innovation.



The case of Italy.



This analysis is based on PRONTO partners' expertise and previous experience, the review of relevant documents (laws, guidelines, presentations, articles, studies, etc.) and interviews with key actors trying to cover all aspects of public procurement, namely representatives of:

. **The 'demand' side**, i.e. individual public entities (e.g. public hospitals, research institutions, universities, technical centres, regional development agencies, municipalities, etc.), central/regional purchasing bodies (e.g. ministries, regional development agencies, etc.).

. **The 'supply' side**, i.e. private companies that constitute potential suppliers of innovative solutions.

. **The 'support' side**, i.e. policy makers (e.g. ministries), national/regional entities supporting public entities, experts/advisors, etc.



Interviews conducted.

Country	Demand	Supply	Support	Total
Italy	3 Regional Purchasing Bodies 1 Regional Development Agency 1 Research organisation 1 University 1 Technology Centre	1	5 Intermediaries 1 Consultant	14

Important note: The aim of PRONTO is not to perform an exhaustive and thorough analysis of the national PPI landscape but rather to collect the insights on the challenges for the design and implementation of PPI procedures to properly adjust the upcoming PRONTO services and address the actual support needs of the public buyers. Therefore, the foreseen number of interviews was not envisioned to be large.



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["Analysis of Public Procurement of Innovation in EU"](#)

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www.pronto-ppi.eu



info@pronto-ppi.eu