

WELCOME BACK!



TAKING COOPERATION FORWARD

Decarbonising Urban Transport

**Modal shift, Electromobility and
“Greening” of vehicle fleets**



**Opportunities for technical assistance
provided by European Investment Bank**

Topics

- Reversing the trend
- Planning for modal shift and decarbonisation
- Strengthening public transport, sharing, and non-motorized transport
- Greening bus and public transport fleets
- Supporting non-motorised transport (NMT)
- Greening urban individual motorised transport
- Technical Assistance Options to support the shift (JASPERS, ELENA, URBIS, EIAH)

Reversing the trend

- Transport emits around 23% of the energy-related CO₂ that feeds global warming.
- Without immediate action, its share could reach 40% by 2030.
- Transport emissions have grown faster than those of any other sector over the past 50 years.
- Demand for transport is expected to continue to grow massively in the coming decades. As a result CO₂ emissions from transport activity could increase by 60% by 2050.
- Urban Transport contributes about 50 % of total transport emission but conditions for a real trend reversal are good.

Reversing the trend – rules, plans, money

- Transport related emissions are subject to a number of legislative and planning acts.
- The most recent EU legislation includes the “clean vehicles directive” 2019/1161 (implications for buses used in urban transport) and the “CO2 emission performance” regulation 2019/631 with implications for the share of battery-e-cars to be expected in the years to come.
- The pertinent planning context is the requirement of Member States to establish National Energy and Climate Action Plans (NECPs). Most include Transport objectives.
- A “Greener, carbon free Europe” is one of two core objectives for the next MFF period

Reversing the trend - Legislation has currently strongest impact

Example FT Article of Monday 25.5.:

“Europe eclipsed China in electric vehicle investment”

- Total investment 2019 EU 60 bn €, China 17 bn €
- Total investment 2018 EU 3 bn €, China 22 bn €

Article was based on information provided by Transport & Environment , a Brussels based NGO

Technical Assistance Options to support the shift

- JASPERS – based on mandates from DG REGIO (ESIF), DG MOVE (CEF + CEF Blending), DG NEAR (IPA)
- ELENA – based on a mandate from DG ENER (plus DG MOVE)
- EIAH - Advisory Hub
- URBIS

JASPERS – Joint Assistance to Support European Regions

- JASPERS helps cities and regions absorb European funds through top-quality projects.
- Aim is to speed up the absorption of EUR 350 billion of ESIF Funds, through projects which are planned, prepared, procured and run to the highest technical, social and environmental standards possible.
- Same aim for the absorption of funds available under the Connecting Europe Facility (CEF) and the Instrument for Pre-Accession Assistance (IPA).

JASPERS support through

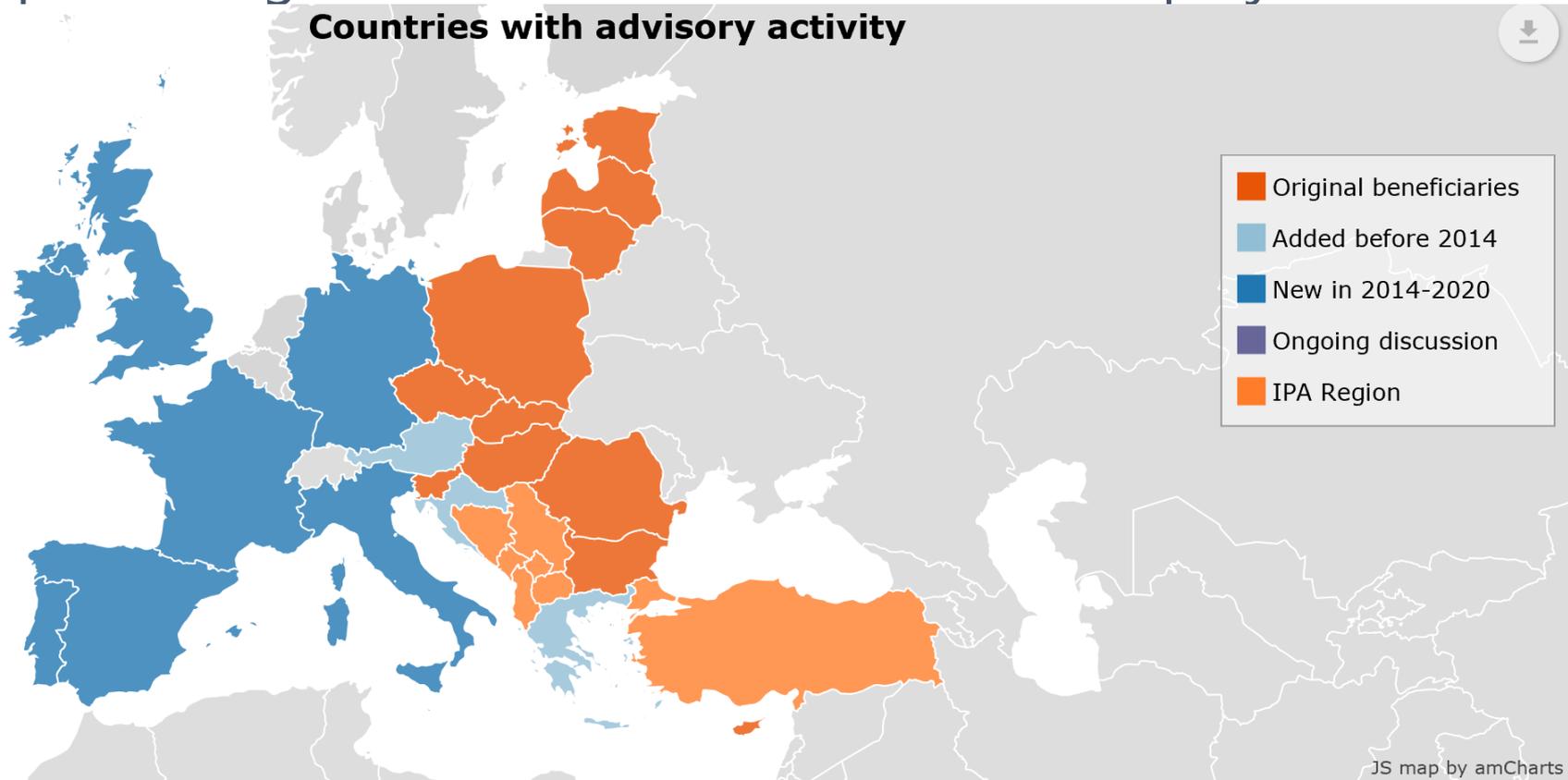
- Advise to authorities on strategic planning in a wide range of sectors so better projects see the light of day.
- Support of promoters in preparing projects in areas benefiting from EU funds so they meet all the necessary standards.
- Capacity improvement of administrations and promoters by transferring knowledge about project preparation, environmental issues, EU legislation etc.
- Speeding up the EU approval process by carrying out an independent quality review which prepares the ground for the European Commission's decision.

JASPERS assistance is free of charge for local authorities and promoters.

JASPERS – country overview

Project number and size in Transport: 500 + projects and conceptual assignments, more than 40 bn € total project cost

Countries with advisory activity



ELENA – European Local ENergy Assistance

- Three envelopes – Energy Efficiency, Sustainable Residential, Urban Transport and Mobility
- Grant support for technical studies, energy audits, business plans and financial advisory, legal advice, tendering procedure preparation, project bundling, project management

ELENA – Investment programme size

- Typically, ELENA supports investment programmes above €30 million with a three-year implementation period for energy efficiency (residential projects included) and **four-year period for urban transport and mobility**.
- ELENA encourages and supports the aggregation of different projects to increase the attractiveness for contractors and financiers.

ELENA – support for

- **Public sector** (EU Member States, Government organisations, Regional, local and municipal authorities, Public corporations, Financial institutions)
- **Private sector** (Private entities planning to develop and support eligible investments, including associations, mixed public/private, banks etc., other private associations including social housing associations or homeowner associations).

ELENA technical assistance projects should not be profit making.

ELENA – Overview map of UPT assignments



EIAH – European Investment Advisory Hub

- The European Investment Advisory Hub is the first point of contact for information on our advisory services within the EU.
- It provides targeted support to identify, prepare and develop investment projects across the European Union.
- Project promoters, public authorities or private companies may request advice on how to get an investment project started
- This is how it works in principle: [Short visual introduction](#)

URBIS – Urban investment advisory platform of the EIAH

- URBIS is set up to provide advisory support to urban authorities to facilitate, accelerate and unlock urban investment projects, programmes and platforms.
- URBIS has been developed in partnership by the European Commission (DG REGIO) and the EIB in the context of the EU One Stop Shop for Cities and in support of the ambitions defined in the EU Urban Agenda.
- [Introductory Video](#)

POLLS:

Poll 14:

Have you already purchased innovative solutions or products?

Poll 15:

Which of the following procurement methods are you familiar with?





Federal Ministry
for Economic Affairs
and Energy

KOINNO
EU CONTACT POINT
INNOVATIVE PROCUREMENT

Lessons on Innovation Procurement

Doris Scheffler

EU Contact Point for Public Procurement of Innovation

c/o ZENIT GmbH

LOW-CARB - Exploitation Workshop

25th, June 2020

www.koinno-bmwi.de



Agenda

- **ZENIT GmbH**
- EU Procurement Directive – Background
- How to buy innovation?
- Procurement of Innovation in EU Procurement Law
- EU Funding Instruments for Procurement of Innovation



ZENIT GmbH

- 1984 ZENIT was founded as Public Private Partnership of the Land North-Rhine Westphalia (NRW)
- ZENIT is the Europe and Innovation Agency in NRW
- 2013 - ZENIT started a service centre for innovation procurement on behalf of the Land NRW
- 2017 – ZENIT became part of the German Competence Centre for Innovation Procurement (KOINNO) as EU Contact Point for Procurement of Innovation on behalf of the German Federal Ministry for Economy and Energy (BMWi)
- 2017 – EU PCP project STARS - Empowering patients by professional STress Avoidance and Recovery Services started



ZENIT GmbH

- 2018 – the EU project Procure2Innovate (P2I) started - KOINNO is consortiums leader
- P2I is a network of competence centres for innovation procurement in 10 European Countries
- Germany, the Netherlands, Sweden, Austria and Spain – as experienced partners
- Italy, Ireland, Portugal, Estonia and Greece – as new comers who started to build a national competence centre for innovation procurement



ZENIT GmbH

- Autumn 2018 – the EU project InnoBroker started
- The project aims to develop a business model for Innovation Procurement Brokers
- In five European Regions (Germany – NRW, Spain – Andalusia, Austria – Upper Austria, Ireland and Denmark) consulting services for public authorities are tested in order to foster innovation procurement
- Services are linked to the need assessment, the market analysis and the identification of potential suppliers



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Innovation potential through public procurement

- In the EU public institutions spent more than a trillion Euro in order to purchase goods and services per year
- That's about 14% of the GDP in the EU
- Results of different funding schemes by the EU show that public procurement of innovation is already highly important in the US, China and Japan:
 - The US spent ca. 2.5 billion Euro per year for R&D with supplier (PreCommercial Procurement - PCP)
 - That's about 2.5% of their total purchase volume
 - Additionally public institutions spent 16% of investments as early adopters (Public Procurement of Innovation - PPI)



New Procurement Concept in the EU

- Solutions for societal challenges
- Development of strategies for the public sectors, like:
 - Health care
 - Climate change
 - Energy consumption
 - Transport
 - Security
 - etc.

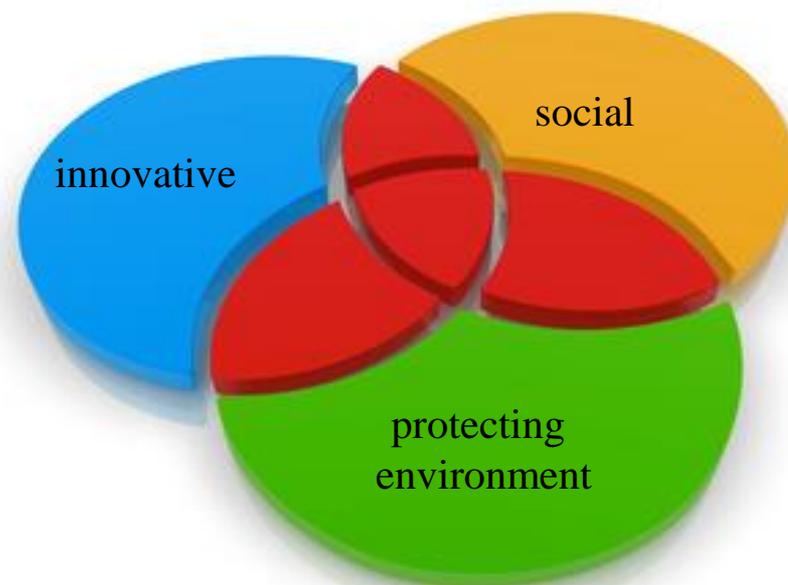




New procurement concept in the EU

Modernising EU procurement law

- Simpler, more flexible and equal procedures
- Better access (SMEs, transborder)
- **Strategic procurement**
- E-procurement: digital processing of the complete procurement process





New procurement concept in the EU

Three new Procurement Directives of the EU since 2014

(replaces Directives 2004/18/EG, 2004/17/EG)

- Implementing e-procurement
- **Strategic procurement**
- Facilitation of transnational actions ...



Public
Contracts

2014/24/EU

Sector
Contracts

2014/25/EU

Concessions

2014/23/EU



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How to buy innovation?

- Start with a need assessment in your organisation
 - What are you looking for exactly?
 - What shall the solution / the product be able to do / to solve?
 - Prepare a first draft of your need
- Scan the market via internet, databases, expert interviews, etc.
 - Are there solutions already available on the market?
 - Do they fit with your requirements?



How to buy innovation?

- Start an open market consultation (OMC)
 - Set a Prior Information Notice on TED
 - Get into contact with experts, researchers, industry
 - Use network, clusters, sector groups, etc. to do the market research and to identify potential suppliers
 - Organise workshops, prepare a survey to get input from the market on your ideas



How to buy innovation?

- Analyse the results of the OMC
- Make your choice for the design of the tender procedure
- Finalise the tender document



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New types of selection procedures enabling more choice, easier access and better results

- The new Directives give contracting authorities more flexibility, greater options and new ways to procure goods and services
- Contracting authorities will have much greater freedom to choose the type and design of the procedure best suited to their needs
- In particular, they can utilise negotiation procedures, which are often used for **complex contracts** such as large infrastructure projects (where the technical specifications cannot be defined at the outset) and which have been broadened and made more flexible:



Possibilities to integrate innovative aspects into the procurement process

in the tender specifications / technical specifications

in the eligibility; definition of qualification criteria (but only limited possible)

in the award of contract; definition of award criteria

in the definition of execution terms



Award Procedures for Procurement of Innovation

Functional specification

no specification of a detailed service catalog, but definition of the services to be provided according to the goals to be achieved

- Bidder are only required to comply the framework conditions that must be observed when submitting tenders
- This is followed by a concept competition between the bidders, which comes next to pure price competition



Award Procedures for Procurement of Innovation

Admission of side offers

where innovative services can be placed as proposed changes

- Side offers allow the bidder to deviate from the specifications of the terms of reference
- Side offers have to comply the minimum requirements by the buyer
- The buyer indicates in advance whether and to what extent side offers are permitted. If no information is provided, no side offers are allowed
- If the buyer allows side offers, offers may deviate in particular from a technical point of view from the specifications in the tender description (technical side offer)



New types of selection procedures

The new **competitive procedure with negotiation** (inviting at least 3 candidates to a dialogue) replaces the current negotiated procedure with prior publication of a contract notice on the condition that the authorities can justify its use on one of the following grounds:

- when a product or service cannot be purchased ready-made from off the shelf
- where the requirements include design or innovative solutions
- where the contract cannot be awarded without prior negotiation
- specific circumstances relating to the nature, the complexity or the legal and financial make-up, or because of the risks attached to them or to technical standards
- where only irregular or unacceptable tenders have been received



New types of selection procedures

This new procedure provides contracting authorities with effective instruments to obtain the **best possible procurement outcome in the negotiations** to ensure fairness, transparency and efficiency.

- The **competitive dialogue** can also be used in the same cases as the new competitive procedure with negotiation.
- The new **innovation partnerships** are meant to address societal challenges and allow contracting authorities to procure highly innovative solutions by offering a smart combination of research activities and purchase elements.



New types of selection procedures

Competitive dialogue

is a two round procedure (similar to competitive procedure with negotiation)

- The public buyer describes its needs in descriptive document or contract notice, sets the minimum requirements for candidates and defines the contract award criteria based on Best Price Quality Ratio (BPQR)
- After verification of the selection criteria of the candidates, the buyer initiates the competitive dialogue with the participants meeting the minimum requirements (at least three candidates)
- The negotiations take place individually with each candidate, ensuring confidentiality of each solution



New types of selection procedures

Innovation Partnership

allows for the combination of research and procurement.

The process takes place in **three phases**:

1. The **competitive phase** takes place at the very beginning of the procedure, when the most suitable partner(s) are selected on the basis of their skills and abilities. The contracts establishing the innovation partnership are awarded using the criteria of the best price-quality ratio proposed.



New types of selection procedures

Innovation Partnership

1. In the next phase, the partner(s) will develop the new solution in collaboration with the contracting authority. This **research and development phase** can be divided into several stages during which the number of partners may be gradually reduced, depending on whether they meet predetermined criteria.
2. In the **commercial phase**, the partner(s) provide the final results.



New types of selection procedures

Innovation Partnership

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3. In the **commercial phase**, the partner(s) provide the final results.



New types of selection procedures

Innovation Partnership

This process should only be used in limited circumstances where:

- the goods, works and services that are sought are innovative
- there is an intention to include both the development and purchase elements in the procedure, provided they correspond to agreed performance levels and maximum costs.



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New Procurement Concept in the EU

FP 7 / HORIZON 2020

- Development of a joint EU strategy to foster research and innovation, e.g. by developing strategies in the public sector
- New participation rules for innovative public procurement (Innovation Procurement)

Introduction of two funding instruments:

- Pre-commercial procurement (PCP)
- Public procurement of innovative solutions (PPI)



Definition

- Pre-commercial Procurement (PCP) and Public Procurement of Innovative Solutions (PPI) are **NOT** new public procurement procedures.
- They are **approaches** to use existing public tendering mechanisms in such a way to optimise innovative outcome (best value for money for procurer) and to create optimal growth opportunities for suppliers.



Definition*

Pre-commercial Procurement (PCP)

- **Open tendering**
- **R&D service** procurement
- **IPR sharing** between supplier (keeps IPR ownership) and procurer (right to use/license)
- **Multiple sourcing** (multiple supplier in parallel)
- **Phases** (Framework contract for the PCP and specific contracts/phases)
- **Funding:** 90% of eligible costs, 30% of the grant for coordination

Exempted from EU public procurement directives, WTO

* Source: Lieve Bos, DG CNECT „PCP and PPI in WP 2018-2020 update (<https://ec.europa.eu/digital-single-market/en/news/calls-eu-funding-opportunities-pre-commercial-procurement-and-public-procurement-innovative>)



Definition*

Public Procurement of Innovative Solutions (PPI)

- Early announcement (via PIN) of the “**intention to buy** a critical mass of solutions“ if market can deliver solutions matching specific requirements by a set date
- **Conformance testing (optional)** to verify if market can meet needs
- **Tendering:** e.g. open, negotiated procedure, competitive dialogue
- **Funding:** 35% of the eligible cost, 50% of the grant for coordination

Subject to applicable provisions EU public procurement directives, WTO



Participation rules in HORIZON 2020

- Minimum: 3 independent participants from 3 different MS or AC
- Minimum: 2 public buyer from 2 different MS or AC

In addition, other entities can also participate

- In buyers group: also private/NGO procurers providing services of public interest
- In coordination/networking activities: any private/public type of entity (e.g. experts, end-users, certification bodies that assist procurers) that has no conflict of interest (no potential suppliers of solutions for the PCP/PPI)



Understanding the Roles in the Project by the EC

Lead Procurer :

Procurer in the buyer group who coordinates the PCP/PPI procurement process and leads as coordinator in the sense of 2004/18/EC und 2004/17/EC.

Project Consortia

Buyers Group:

Procurer who obligate oneself to a financial contribution in the PCP/PPI measure. Min. 2 public procurer from to different Member States of associated countries

EU Project



Subcontractors

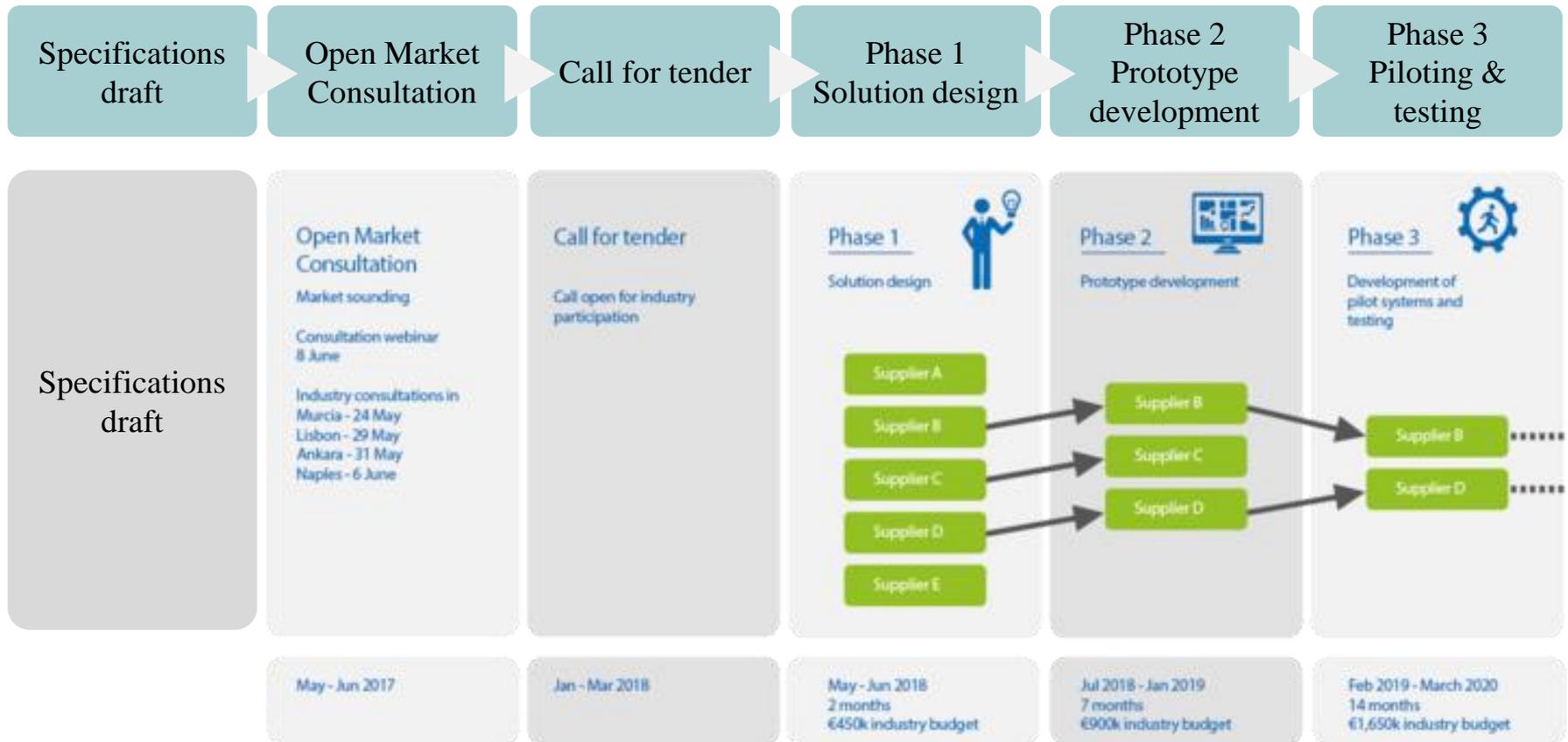
R&D service provider and supplier of innovative solutions who will be contractor of the lead procurer/the buyer group selected and instructed in the PCP or PPI procurement

Contractor



Example based on the ProEmpower PCP

Timeline and phases





Federal Ministry
for Economic Affairs
and Energy

ZENIT 

KOINNO
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