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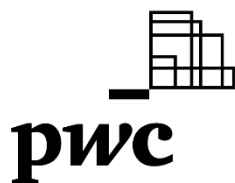


Austria

COUNTRY PROFILE – Benchmarking of national policy frameworks for innovation procurement

This is the country profile of Austria in the 2024 Europe wide benchmarking of national policy frameworks for innovation procurement. It is based on the most recent available data: Indicators 1 to 10 reflect the status of national policies that support innovation procurement at the end of 2023. The part of indicator 10 that uses data from the EU single market scoreboard uses the 2022 data from that scoreboard.

This report was prepared for the European Commission by PwC EU Services EESV



Internal identification

Contract Number: LC-01986029

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Austria



1. National policy framework for innovation procurement

Governance and legal framework

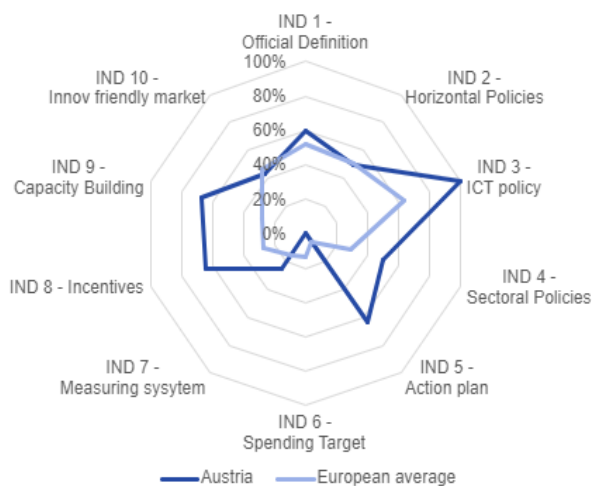
The Austrian Federal Procurement Act¹ (BVerG 2018) for public authorities and utilities procurers and the Federal Defence and Security Procurement Act² (BVerGVS 2012) implement the EU public procurement Directives.

Implementation of the abovementioned procurement legislation is under jurisdiction of two ministries: **Federal Ministry of Labour and Economy**³ (BMAW) and **Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology**⁴ (BMK), who are also important actors regulating innovation procurement.

These two ministries finance the work of the **PPPI Service Centre**⁵, the national competence centre for innovation procurement, which is part of the **Federal Procurement Agency (BBG)**, the central purchasing body for the federal government of Austria. It cooperates with a broad network of other stakeholders, such as the Austrian Research Promotion Agency (FFG), the Austrian promotional bank (AWS), the Austrian Association for Transport & Infrastructure (GSV), the Federal Real Estate – Bundesimmobiliengesellschaft (BIG), and the Austrian Energy Agency, to implement of the Action Plan for innovation procurement⁶.

Innovation Procurement Policy Framework Benchmarking (2024)

In the benchmarking of national innovation procurement policy frameworks across Europe, Austria is at the 3rd position of the overall ranking with a total score of 52.02%. The country dropped one position as its total score slightly decreased compared with the previous benchmarking when the total score was 52.3%. The country's performance is above European average of 33.05% and above the European average on 8 of the 10 indicators. Out of the 30 countries analysed, Austria is one among the moderate performers in implementing a mix of policy measures for mainstreaming innovation procurement. As Austria has put in place just half (52.02%) of the policy measures that stimulate innovation procurement, a significant strengthening of the policy framework for innovation procurement is still required in Austria for it to realize its full potential.



Strengths

National action plan for innovation procurement is backed by strong support from national R&I policy and significant effort is spent on capacity building. The overarching national ICT policy fully endorses the strategic importance of using innovation procurement.

Weaknesses

Absence of spending target and system for measuring innovation procurement spending. Only half of the horizontal and sectorial policies promote the strategic importance of innovation procurement. Reinforcing support in policies for strategic technologies and financial incentives for R&D procurements in key technologies and sensitive sectors could help boost strategic autonomy. Financial incentives and capacity building measures are not fully mainstreamed across the country. Lack of IPR policy that fosters innovation in procurement, and underutilisation of variants, value for money award criteria and preliminary market consultations. Need to increase publication rate and competition level in the public procurement market.

¹ <https://www.ris.bka.gv.at/eli/bqbl/i/2018/65/20180820>

² <https://www.ris.bka.gv.at/eli/bqbl/i/2012/10/P0/NOR40207142>

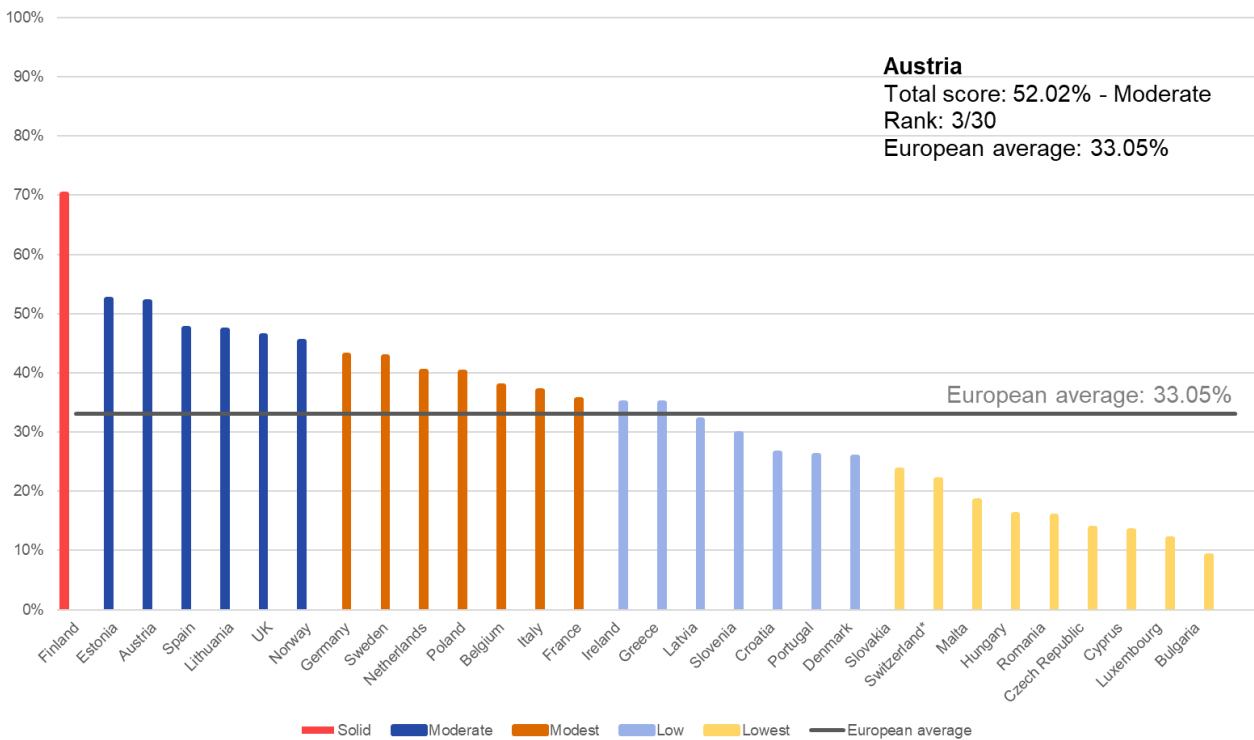
³ <https://www.bmaw.gv.at/en.html>

⁴ <https://www.bmk.gv.at/en.html>

⁵ <https://www.ioeb.at/en/>

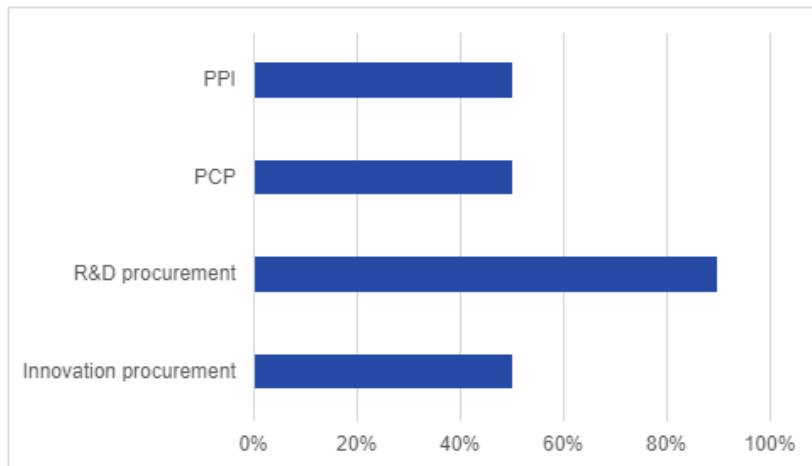
⁶ <https://era.gv.at/policies/innovation-procurement/austrian-action-plan-public-procurement-promoting-innovation/>

Overall ranking



Overview per indicator

Indicator 1 – Official definition			
Total score	60%	European average	53%



Austrian public procurement legislation provides a legal basis for implementing all types of innovation procurement. Official definitions are available for innovation, innovation procurement, research and development (R&D), PCP and PPI. The Austrian Federal Procurement Act provides a definition of **innovation**, but not of innovation procurement. According to Point 20. of § 2 of BVerG 2018 “...*innovation is the realization of new or significantly improved goods, services or processes, in particular production, construction or construction processes, new marketing methods or new organizational procedures relating to business practices, workplace processes or external relationships*”.

A definition of **innovation procurement** is provided in the Austrian Action Plan on PPPI (Public Procurement Promoting Innovation)⁷. According to this Action Plan, it encompasses four levels:

1. Procurement of new research and/or development of goods and services for the requirements of the procuring organisation - development initiator;
2. First up-take (procurement of goods and services of which the public institution knows it is the first organisation having bought this good; the public institution serves as a reference) - first buyer;
3. Diffusion (procurement that fosters further market penetration of innovative goods and services that are already available on the market (the procurer refers to already existing references) but the procurement was not a regular case yet in the organisation (early adopter) - diffusion accelerator;
4. The use of new innovative approaches in the procurement process itself (e.g. improving the procurement process through e-procurement, reducing the time to payment for companies etc.).

This definition is applicable countrywide but is not entirely in line with the EU definition, as level 4 is not included in the EU definition and level 3 does not provide a clear explanation of early adopters (the first 20% customers on the market that are buying a new or significantly improved product, service or process). Consequently, the total score for the sub-indicator innovation procurement definition is 50%.

There is no definition for the notion of Research and Development in the Austrian Public Procurement Act for classical and utilities sector procurers but Article 9(1)12 provides the legal basis to implement R&D procurement by identifying R&D using the CPV codes for fundamental research, applied research and industrial development. The Federal Defence and Security Procurement Act (BVerGVS) provides a definition of **R&D** in Point 18. of §3, where it states that R&D are *"...all activities that involve basic research, applied research and experimental development. Experimental development may include the production of technological demonstration systems, which are devices for demonstrating the performance of a new concept or technology in a relevant or representative environment."* Since this definition of R&D is only applicable to the defence sector, the score for the sub-indicator research and development definition is 90%.

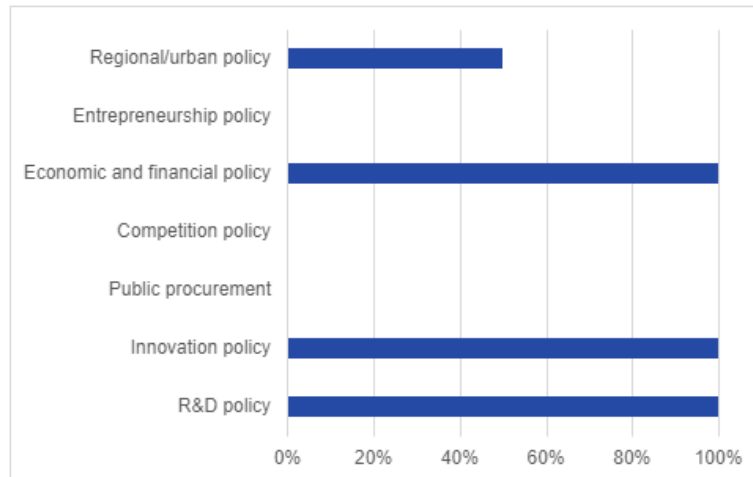
Although the national public procurement legislation does not provide official definitions of **PCP** and **PPI**, it provides a legal basis for implementing both PPI and PCP. Article § 9 (1) 12 and § 20 (7) provide the legal basis for implementing PCP and PPI respectively. In addition, the definitions of PCP and PPI exist in the Austrian Action Plan for PPPI, which states the following: *"... there are two types of instruments for innovation-promoting public procurement (PPPI). On the one hand, there is the precommercial procurement of research and development services by the public sector (pre-commercial procurement, PCP) and, on the other hand, the commercial procurement of innovation as part of the usual procurement of goods and services by the public procurement (public procurement of innovative solutions, PPI). PCP refers to the pre-market research and development phase before the market introduction of a final product. Several companies apply similar to an ideas competition and develop new solutions tailored to the buyer. Pre-commercial procurement is excluded from the scope of the Federal Procurement Act (R&D exemption). In contrast, PPI refers to goods and services that are already marketable or close to the market. It can do so by means of the possibilities provided by the Federal Procurement Act, such as "functional specifications" (as opposed to "constructive tender specifications"), "negotiated procedures" or "competitive dialogue". Both definitions are applicable to all public procurers in the country but are only partly in line with the EU definition. For PCP, the definition does not recognise that the purchase of a limited volume of prototypes or final end-solutions can also be part of a PCP (as long as the total value of the "supplies" in the contract remains below 50%). For PPI, the boundary of where PPI stops with the early adopter definition is missing. Therefore, the score for both PCP and PPI definition sub-indicators is 50%.*

As the legal framework is still the same compared to the previous benchmarking, the total score remained 60%, which is above the European average (53%). There is room for future improvement as the performance is still significantly below the top performing country on this indicator, Lithuania, which scores 76%.

⁷ [https://www.ioeb.at/fileadmin/ioeb/Dokumente/IOEB_allgemein/IOEB - 1 - IOEB-Leitkonzept.pdf](https://www.ioeb.at/fileadmin/ioeb/Dokumente/IOEB_allgemein/IOEB_-_1_-_IOEB-Leitkonzept.pdf)

Indicator 2 – Horizontal policies			
Total score	50%	European average	50%

There are four horizontal policies in Austria which endorse the strategic importance of innovation procurement.



Government Programme 2020 – 2024⁸ announces a procurement reform to strengthen the economy in a sustainable way. The reform commits to give a stronger incentive to innovation-promoting public procurement in Austria by implementing a system change from buying the lowest price to the best value for money solutions and by updating the national action plan on innovation procurement with the support from the “Innovation-promoting Public Procurement” (IÖB) service centre. As the programme recognizes the strategic role of innovation promoting public procurement for the economic performance of the country in all sectors, the score for the sub-indicator **economic policy** is 100%.

Strategy for Research, Technology and Innovation of the Austrian Federal Government⁹ (RTI Strategy 2030) sets out objectives and fields of activity aimed at positioning Austria among the innovation leaders. The strategy prescribes that key fields of activities for the purpose of achieving the objective ‘strengthen Austria as R&I location’ should involve *“Increase of long-term planning and finance security for applied research, and optimisation of the conditions (simplify the funding system, provide advice for small and medium-sized enterprises (SMEs) and involve key stakeholders, create more extensive programme lines, strengthen risk financing, boost support for innovations through public procurement”*.

The second **Research, Technology and Innovation Pact (RTI Pact) for 2024 – 2026¹⁰** makes the link between the RTI Strategy, funding and the institutions responsible for practical implementation. It builds upon the experience gained from the RTI Pact 2021-2023 and further encourages the use of public procurement of innovations (PPPI), not only to increase the impact of climate- and environmentally-relevant technologies, but also to strengthen key sectors and value creation chains in key technologies. Also, Austria’s **Open Innovation Strategy¹¹** aims to *“open up, expand and further develop the innovation system with the purpose of boosting its efficiency and output orientation, and improving the digital literacy of innovation actors”*. To increase Austria’s innovative strength and competitiveness, the strategy identifies three main areas of action which must be addressed: *„Development of a culture of open innovation and teaching open innovation skills among all age groups; Formation of heterogeneous open innovation networks and partnerships across disciplines, branches of industry and organisations and Mobilisation of resources and the creation of framework conditions for open innovation“*. The strategy recognizes that open innovation can be stimulated by means of the public sector procurement. Since all the above-mentioned strategies are applicable in the whole country, the score for both the sub-indicators **R&D policy** and **innovation policy** is 100%.

VIENNA 2030 – Economy and Innovation¹² is an urban policy developed by the City of Vienna, which contains a clear vision of future actions to be undertaken to ensure that Vienna develops into world’s leading hub for research, development and entrepreneurship that translate into innovations. Building upon the results of the Innovative Vienna 2020, the Vienna 2030 strategy clearly points out that *“innovation-promoting public procurement helps to further develop municipal services while encouraging enterprises to look for innovative solutions”, as “municipal procurement is already used in a targeted manner as a driver of innovation to enhance resource protection and quality of life according to the*

⁸ <https://www.bundestkanzleramt.gv.at/bundestkanzleramt/die-bundesregierung/regierungsdokumente.html>

⁹ https://era.gv.at/public/documents/4489/RTI_Strategy_2030-1-1.pdf

¹⁰ <https://www.bundestkanzleramt.gv.at/en/topics/rti-strategy.html>

¹¹ <https://openinnovation.gv.at/>

¹² <https://www.wien.gv.at/english/business-media/vienna-2030.html>

principles of the Smart City Wien initiative". As this strategy does not apply to the whole country but only to Vienna, the score for the sub-indicator **urban policy** is 50%.

The total score for the indicator horizontal policies is 50%, which is the same as in the previous benchmarking. The performance is exactly at the European average (50%). There is room for future improvement as the score is significantly below the top performing countries, Norway, Estonia and Finland, which score 86% on this indicator.

Indicator 3 – ICT policies			
Total score	100%	European average	63%

The **Digital Action Plan Austria**¹³ and the **National Strategic Roadmap for the Austrian Digital Decade**¹⁴ include "promotion of innovation-promoting public procurement" and "the State initiatives projects for digital transformation and procures key digital technologies" among the instruments to support applied R&D on digital solutions.

For what regards encouraging the use of innovation procurement to accelerate the uptake and reinforce EU strategic autonomy for strategic ICT technologies:

The **Artificial Intelligence Mission Austria 2030 (AIM AT 2030)**¹⁵ plans to modernize the public sector with AI and encompasses steps for realizing the potential of utilizing AI in specific application fields, which range from climate protection to education. The document emphasizes that "The public sector can act as a role model in the use of trustworthy AI applications and become a reference customer for trustworthy AI. With innovation-promoting public procurement (IÖB), an important strategic instrument is available that can be used to promote innovations and transfer them to the market. The state can, for example, act as a demander for ethical and trustworthy AI and thereby define markets, set standards and increase its efficiency. At the same time, innovative solutions from startups, young companies and small businesses can benefit from this."

The **Broadband Strategy 2030**¹⁶, under the section *Promoting the market launch of digital applications and products*, states that "The public sector can serve as a reference provider for new applications and technologies in the sense of public procurement that promotes innovation, including through the implementation of innovation partnerships."

The **2021 Austrian cybersecurity strategy**¹⁷ indicates under the topic area R&D that "The Austrian state is both a client and a launch customer of cybersecurity systems developed in Austria, and in this dual role helps to enhance an application-focused approach to research and makes it easier for Austrian enterprises to market their cybersecurity solutions." It commits that "A framework will be established to close the gap between application-focused research projects and the public procurement process. This framework will cover everything from fundamental research to the introduction of specific products to the market."

Austria has also developed policies for other strategic technologies, such as the **Quantum Austria initiative**¹⁸ however those do not encourage public buyers to implement more innovation procurements of quantum solutions nor promote the use of innovation procurement as a tool to improve the strategic autonomy for those strategic ICT technologies. There is no dedicated **national semiconductor strategy or programme**.

Innovation procurement has been comprehensively and directly endorsed as a strategic tool to reach the objectives of the country's overall ICT digital strategy as well as for key strategic ICT technology fields like AI, cybersecurity and broadband. Therefore, the score for this indicator is 100%, which is an increase by 50% compared to the previous benchmarking. The performance is above the European average (63%). Austria can further improve in the future as not all policies for specific strategic ICT technologies embrace innovation procurement yet.

¹³ <https://www.digitalaustria.gv.at/downloads.html>

¹⁴ https://www.digitalaustria.gv.at/dam/jcr:9b934433-f8e7-452f-bc86-cea60b214839/BMF%20Nationaler%20Fahrplan%202023-final-28112023-barrierefrei_EN_Korr.pdf

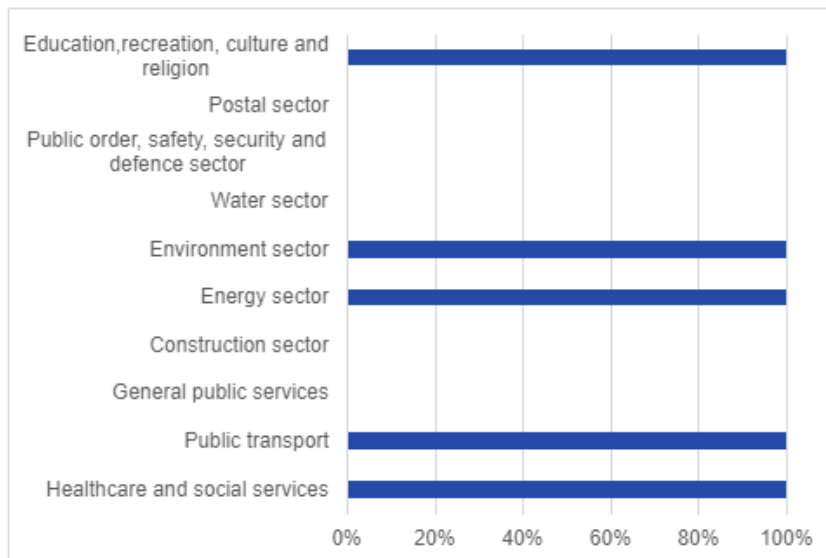
¹⁵ <https://www.bmk.gv.at/themen/innovation/publikationen/ikt/ai/strategie-bundesregierung.html>

¹⁶ https://data.breitbandbuero.gv.at/PUB_Breitbandstrategie-2030.pdf

¹⁷ <https://www.bundeskanzleramt.gv.at/en/topics/cybersecurity/austrian-cybersecurity-strategy.html>

¹⁸ <https://www.ffg.at/en/quantum-austria>

Indicator 4 – Sectoral policies			
Total score	50%	European average	30%



As cross-sectorial umbrella document in Austria, the Government programme 2020-2024, announced that „*sustainable and innovation - friendly procurement will become standard*“. So far, five sectoral policies have aligned their strategies to comply with this objective and are actively promoting innovation procurement: healthcare and social services, transport, energy, environment and culture policy.

Future strategy for life sciences and the pharmaceuticals sector¹⁹ addresses health, medicine, molecular biology, biomedicine and pharmaceuticals. The strategy clearly recognizes that “*innovative public procurement could adequately address some challenges in the health sector, as the innovation factor is an integral part of the procurement process*”. It also envisages “*initiation of a pilot project of innovative public procurement for tailor-made medical products (best bidder principle, total cost of ownership)*.” The total score for the sub-indicator **healthcare and social services policy** is 100%, as the strategy is applicable countrywide and for all types of innovation procurement.

Austria’s 2030 Mobility Master Plan²⁰ supports the Government’s target of becoming climate-neutral by 2040 by implementing activities aimed at ensuring the climate-neutral transport sector by 2040. The strategy recognizes that research, innovation and digitalisation are essential cornerstones for the mobility transition’s success and that “*procurement that is focused on innovation will make it possible for new mobility solutions to be implemented in the public sector and make an impact*”. Since this mobility plan endorses the strategic importance of innovation procurement countrywide and for all types of innovation procurement, the total score for sub-indicator **transport policy** is 100%.

The **Integrated National Energy and Climate Plan for Austria**²¹ commits to the “*use of innovative public procurement tools for determining where needs exist and for implementation*”. The plan foresees that for the period 2020-2030, 55 million EUR of national funds will be invested in innovation-promoting public procurement. The use of innovation procurement is specifically mentioned for equipping and retrofitting federal buildings, energy, transport and climate friendly solution projects. As a result, the total score for the sub-indicator **energy policy** is 100%.

The National Action Plan for Sustainable Procurement (The naBe Action Plan)²² does not explicitly mention innovation procurement, but it supplements the approach taken in the above mentioned Integrated National Energy and Climate Plan for Austria, thus contributing to the objectives of the country’s energy-, climate- and environment- related goals. In addition, **The Austrian Circular Economy Strategy**²³ almost entirely relies on the purchasing power of the public procurement to ensure implementation of circular economy principles in all areas of society. The strategy advocates circular economy that promotes eco -innovation and elaborates on the ability of public procurement to ensure reaching environmental goals by strengthening the demand for sustainable and circular products in areas such as construction, textile industry, digitalisation, etc. Under the section “*expanding circular procurement*”, it mentions that public procurement for achieving environmental policy goals requires cooperation with innovative companies. Sustainability and innovation are important aspects and go hand in hand with product design” and innovation

¹⁹ <https://www.bmbwf.gv.at/en/Topics/Research/Research-in-Austria/Strategic-focus-and-advisory-bodies/Strategies/Future-strategy-for-life-sciences-and-the-pharmaceutical-sector.html>

²⁰ <https://www.bmk.gv.at/en/topics/mobility/mobilitymasterplan2030.html>

²¹ https://www.bmk.gv.at/themen/klima_umwelt/klimaschutz/nat_klimapolitik/energie_klimaplan.html

²² <https://www.nabe.gv.at/en/nabe-action-plan/>

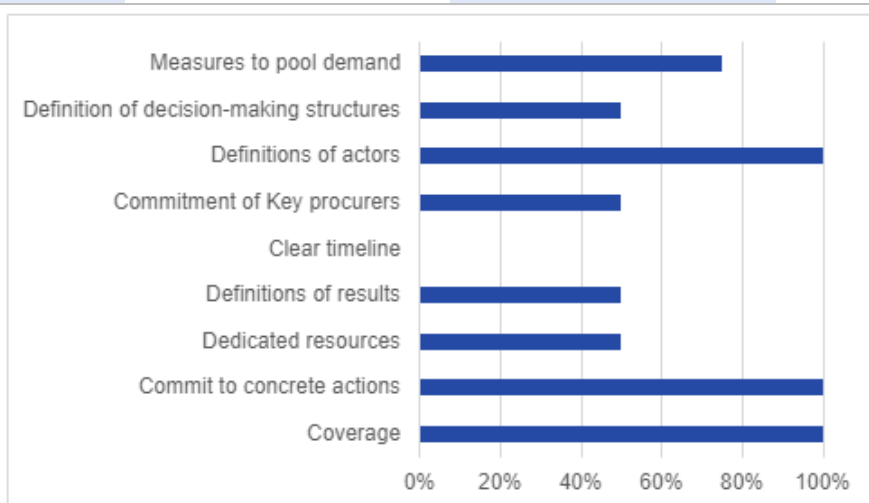
²³ <https://www.bmk.gv.at/en/topics/climate-environment/waste-resource-management/ces.html>

procurement is recognized under its next steps. **Austria’s bioeconomy strategy (2019)**²⁴ highlights that public procurement plays a key role in the development of the bioeconomy and states that local authorities must assume their share of responsibility through innovation-friendly and sustainable public procurement and try to influence the market in favour of bio-based products. As evident, all these policies endorse importance of innovation procurement on the national level, which results in a score of 100% for the sub-indicator **environment policy**.

Austria understands that “...creative industries play a crucial role in modern economies, as they are drivers of new forms of impact oriented and non-research driven innovation: business model innovation, service innovation, organisational innovation, social innovation, design thinking, etc.” Therefore, **The Creative Industries Strategy**²⁵ points out that “...the creative industries should proactively and systematically use the potential that public procurement opens up for them at the various levels of administration” and increase awareness of existing measures in the field of innovation promoting public procurement. As the strategy is applicable country wide, the score for sub-indicator education, recreation, **culture and religion policy** is 100%.

Therefore the total score for this indicator is 50%, which is a slight decrease compared to the previous benchmarking when the country scored 60% based on 6 sectorial policies promoting innovation procurement. The performance is above the European average (30%), but there is room for future improvement as the score is still significantly below the top performing country, the UK, which scores 90% on this indicator.

Indicator 5 – Action plan			
Total score	64%	European average	6%



Austria still has in force the **Action Plan on Public Procurement Promoting Innovation (PPPI)**²⁶ drafted in 2012 as a follow-up to the "Austrian Strategy for Research, Technology, and Innovation" from 2011. The **Action Plan is currently being revised** and the revision is planned to be published in Q1 2024 as "PPPI Strategy Framework 2030". The revised action plan will include tangible measures for developing the PPPI initiative further, e.g. with regard to embedding it in national strategies, broadening the community, helping to tackle current societal challenges, improved monitoring etc. The aim is to go far beyond the current action plan to enable widescale mainstreaming of innovation procurement.

According to the Action Plan in force, Austria intends to use PPPI as demand-side innovation policy, complementing supply-side initiatives and improving the share of public procurement volume utilized for innovation. The Action Plan covers all types of innovation procurement across the country for all public procurers in all sectors and administrative levels, with the aim of mainstreaming innovation on a large scale. The score for the **existence** and **coverage** of the Action Plan is therefore 100%.

The Action Plan identifies **concrete actions** (e.g. the management of a PPPI platform) and activities that are linked to a set of specific objectives which translate the overall strategic objectives and the mission of the Action Plan. The specific activities include (i) raising awareness on innovation through public procurement; (ii) fostering dialogue between demand and supply; (iii) qualifying decision makers and procurers for PPPI; (iv) introducing and fostering new approaches for PPPI; (v) establishing a monitoring and benchmarking system; (vi) integrating PPPI actions in sectorial strategies and in different administrative levels. The score for the sub-indicator **concrete actions** is therefore 100%.

The timeline to implement the abovementioned activities was defined only for the period 2012-2013, whereas for the implementation of remaining activities there is no timeline. Therefore, the score for sub-indicator **timeline** is 0%.

²⁴ <https://www.bmk.gv.at/en/topics/climate-environment/climate-protection/bioeconomy/strategy.html>

²⁵ <https://www.bmaw.gv.at/en/Topics/Business-Location/Creative-Industries.html>

²⁶ <https://era.gv.at/policies/innovation-procurement/austrian-action-plan-public-procurement-promoting-innovation/>

The Ministry for Digital and Economic Affairs (BMDW) and the Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) finance the Action Plan. However, their role, and the role of key procurers in the country, in implementation of activities and reaching the set objectives is not as clearly defined as for the competence centre. Therefore, the score for the sub-indicators **dedicated resources** and **definition of results** is 50%.

In terms of governance, the Action Plan defines actors to achieve different objectives. For example, the key procurement organisation involved in the implementation of the Action Plan is the PPPI Service Centre. Its services cover three main objectives: raising awareness for PPPI, matching public procurers and potential suppliers of innovative solutions and increasing the overall share of procurement budgets used for PPPI. Therefore, the score for the sub-indicator **definition of actors** is 100%.

According to the roles delegated to it by the referring Action Plan, the PPPI Service Centre operates as a national competence centre for innovation procurement and is mainstreaming innovation procurement at a large scale. In addition, relevant stakeholders in five sectors in the country are mobilised and are implementing the Action Plan, which is evident from the existing sectoral policies that underpin the usage of innovation-promoting public procurement. In other sectors, there is no dedicated commitment from all relevant public buyers (defence, construction, water, postal services, education). Therefore, the score for the sub-indicator **commitment of key procurers** is 50%.

The overall score for the sub-indicator **definition of decision-making structures** is 50%, since the Action Plan does not define a clear decision-making structure with other ministries and key procurers to ensure implementation of the objectives; namely, there are no binding agreements to define roles and responsibilities of the relevant stakeholders.

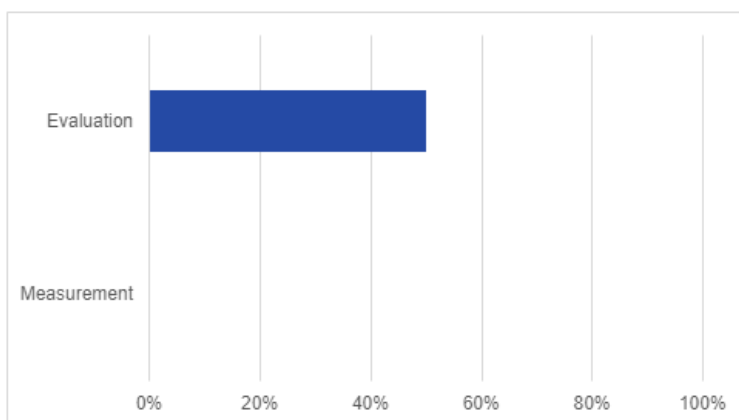
Finally, through the involvement of the national central purchasing body BBG, the Action Plan defines concrete measures to pool demand among public and private procurers across the whole country and for all types of innovation procurement, however not at a level to scale up innovation procurement widely yet. Therefore, the score for this sub-indicator **measures to pool demand** is 75%.

The total score for the indicator action plan is 64%, which is the same as in the previous benchmarking and well above the European average (6%). There is room for future improvement, as the top performing country Finland (69%) has an action plan that is already bolstering policy measures to scale up innovation procurement widely.

Indicator 6 – Spending target			
Total score	0%	European average	14%

Austria has no spending target for innovation procurement. Therefore, the country scores 0% for the indicator, the same as in the previous benchmarking, which is below the European average (14%). There is room for future improvement as the performance is still significantly below the top performing country, Poland, which scores 80% on this indicator.

Indicator 7 – Monitoring system			
Total score	25%	European average	15%

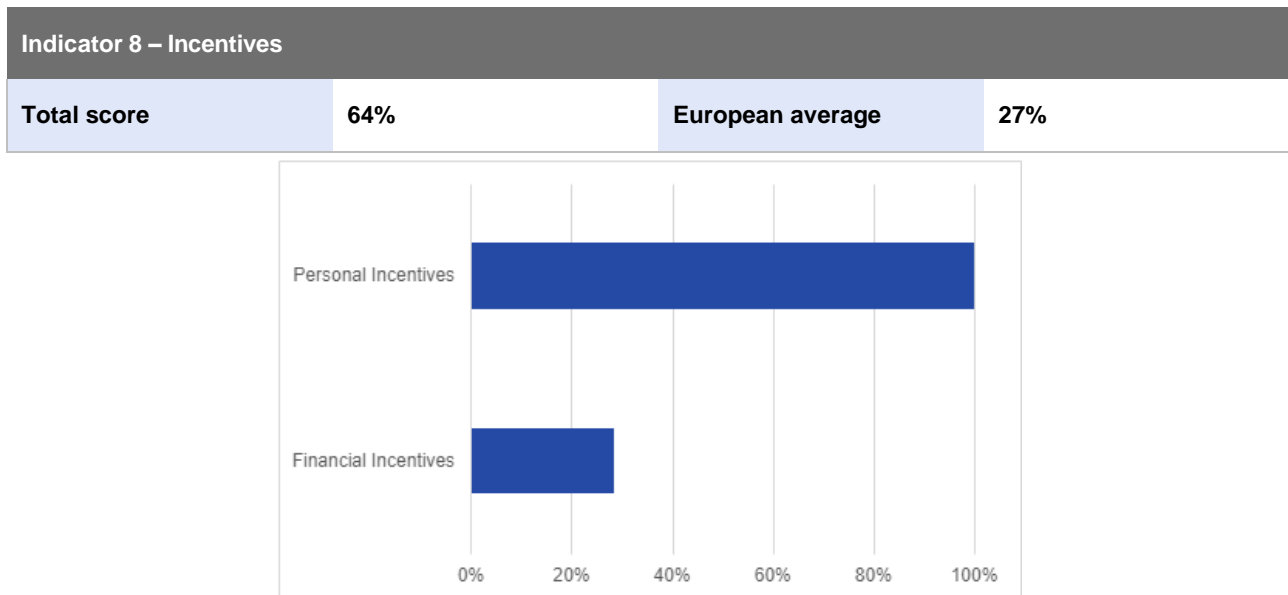


Austria is exploring possible approaches to setup a system that regularly measures the amount of total public procurement expenditure that is spent on innovation procurements. However, it does not have such a system in place for the time being. Therefore the score is 0% for the sub-indicator innovation procurement **expenditure measurement**.

On the other hand, a system to **evaluate the impacts of completed innovation procurements** is in place and is enabling the country to assess the benefits of innovation procurements. Regular evaluation of innovation procurements is performed using different methodological approaches. Examples of such evaluations can be found in the Analysis of

Good Practices and Case studies, which is part of the PPPI Report 2017; an Impact Analysis (2019); One - Pagers describing impacts of completed projects (2019); evaluation of PPPI Challenges (as part of the Evaluation of the PPPI cooperation²⁷, 2022); evaluations of the IÖB -Toolbox- Programme (2021, 2023). The impact evaluation system covers all types of innovation procurement, however it focuses on those innovation procurements that were supported by the PPPI competence centre and is therefore not a structured approach for evaluating the impacts of all innovation procurements in the country, the score for this sub-indicator is 50%.

Therefore, the total score for the indicator is 25%, which is above the European average (15%), but significantly lower than the score in the previous benchmarking when the total result was 50% because back then surveys were implemented to measure the amount of innovation procurement expenditure. There is room for future improvement as there is no impact evaluation system yet for all innovation procurements in the country, and the performance on the measurement sub-indicator is still significantly below the top performing countries Estonia and Poland which score highest (100%) for having the most comprehensive expenditure measurement systems.



Austria Wirtschaftsservice Gesellschaft mbH (aws), the promotional bank of the Austrian Federal Government, runs **IÖB Toolbox**²⁸ which is intended for Austrian public procurers who want to make use of more innovations. The funding program aws - IÖB Toolbox²⁹ gives grants of up to 100.000 EUR per grant to Austrian public procurers. Since 2024, as part of the 2024 - 2026 funding period, it will be possible to also receive funding for legal advice and/or technical advice for the preparation of tender documents in the amount of 20.000,00 EUR per project. In the previous period 2022-2023 as well as in the current period 2024-2026, around 2 million per year were/are available. Two types of projects are eligible for funding: design and implementation of IÖB-Challenges and public procurement of innovative solutions (PPI). The grant covers the costs of IÖB consulting to enter the challenge on the IÖB platform (Prepare module) and the costs of acquisition of innovative products or services (Transfer module). However, these **financial incentives** are not aimed at all types of innovation procurement countrywide; instead, they are focused on funding procurements that deploy innovative solutions (not R&D) in the environmental, climate and digital domain. The grants are only open to innovation procurements that are prepared by IÖB and are published as a challenge on the IÖB platform. Also, the total budget available for those types of grants is limited (100.000 EUR) and thus they do not foster large scale implementation of innovation procurement. The grants are financed from national funding whilst EU funding, such as ESIF, are not used for innovation procurement. Therefore, the country is awarded 29% for the sub-indicator financial incentives.

In the field of **personal incentives**, The Austrian Administration Prize honours innovation and cooperation projects from the federal government, states and municipalities. The aim of the administrative competition is to encourage, promote and publicly present innovations in administration³⁰. There is a specific prize category every year called "PPPI prize" which rewards the best innovation procurement in Austria. Based on the existing personal incentives which are applicable countrywide, the country is awarded 100% for the sub-indicator personal incentives.

The total score for the indicator related to incentives is 64%, which is slightly lower when compared to the previous benchmarking, when the result for the same indicator was 72%. The score is well above the European average (27%). Austria is one of the better performing countries in regards to this indicator (64%), however there is still room for future improvement in order to catch up to the best performer: Lithuania (86%).

²⁷ <https://www.bmk.gv.at/en/topics/innovation/publications/Evaluation-of-the-PPPI-cooperation.html>

²⁸ <https://www.aws.at/en/aws-ioeb-toolbox/>

²⁹ <https://www.ioeb.at/leistungen/fuer-oeffentliche-auftraggeber/toolbox>

³⁰ <https://www.bmkoes.gv.at/Themen/Aktuell/oesterreichischer-verwaltungspreis-gewinner-innen-2023.html>

Indicator 9 – Capacity building and assistance measures							
Total score	65%			European average	28%		
	Existence	Connection with relevant international/EU initiatives	Free of charge	Covering all aspects and types of innovation procurement	Available and applicable to all public procurers in the country	Mainstreaming Innovation procurement at a large scale	Sub-total score
Central website	✓		✓	✓	✓	✓	83%
Good practices	✓		✓	✓	✓	✓	83%
Trainings/workshops	✓	✓	✓	✓	✓	✓	100%
Handbooks/guidelines	✓		✓	✓	✓		67%
Assistance to public procurers	✓		✓	✓	✓	✓	83%
Template tender documents							0%
Coordination/pre-approval							0%
Networking of procurers	✓		✓	✓	✓	✓	83%
One-stop-shop /competence centre	✓	✓	✓	✓	✓		83%

Austria is implementing seven out of nine measures in the field of capacity building.

PPPI Service Centre (IÖB Servicestelle³¹) is the key actor in the country providing capacity building activities and acting as **one stop-shop/national competence centre** for innovation procurement and hosting the **central website**.

The **central website** informs about guidance, funding, trainings and networking on innovation procurement. However, references to recent EU initiatives (e.g. European assistance for innovation procurement, European initiative to benchmark national policy frameworks for innovation procurement across Europe, recent EU funded projects e.g. Horizon 2020 funded PCP and PPI projects) are missing, and therefore this sub-indicator scores 83%.

The PPPI Service Centre acts as the **national competence centre for innovation procurement** that is the single point of contact for pre-commercial procurement and innovation procurement issues in Austria. It also initiates and conducts pilot projects and offers services in the fields of further education and training, in addition to running the online platform www.ioeb-innovationsplattform.at. However, the resources dedicated to the PPPI competence centre are not yet at the level for mainstreaming innovation procurement at large scale and therefore sub-indicator competence centre scores 83%.

In cooperation with the Federal Academy of Public Administration the PPPI Service Centre carries out **training activities** that deliver a certification of achieving PPPI competence at different levels (basic, advanced)³². In addition, Bundesbeschaffung GmbH (Austrian Federal Procurement Agency, BBG) established the in-house Public Procurement Academy to promote theoretical and practical knowledge specific to centralised public procurement. BBG staff are trained to ensure quality, value for money, and fairness throughout the procurement process from the preparation of calls for tender and needs assessments, the application of market knowledge, to contract management.³³ The score for this sub-indicator is 100%.

Many examples of **good practice** examples of innovation procurements can be found on the IOEB website.³⁴ However, examples of EU funded international projects are missing and examples of R&D procurements are underrepresented. Therefore, the total score for this sub-indicator is 83%.

There are several Austrian guidelines on innovation procurement, such as the Austrian “PPPI guidelines”³⁵. However the guidelines lack the link with EU initiatives and are not addressing how to scale up innovation procurements widely. The document IÖB Criteria Catalogue³⁶ provides **guidance** on how to formulate the selection and evaluation criteria that can be used in tender documents in the context of innovation–promoting public procurement, with the aim to reduce

³¹ <https://www.ioeb.at/>

³² <https://ppe.bbg.gv.at/> (English) and other training at <http://www.ioeb.at/leistungen/training-und-weiterbildung/> (in German)

³³ https://www.ospi.es/export/sites/ospi/documents/documentos/Professionalising_Public_Procurement_Workforce.pdf

³⁴ <https://www.ioeb.at/erfolgreiche-projekte>

³⁵ https://www.ioeb.at/fileadmin/ioeb/Dokumente/FINAL_IO_B_Leitfaden_200x250mm_24-10.pdf

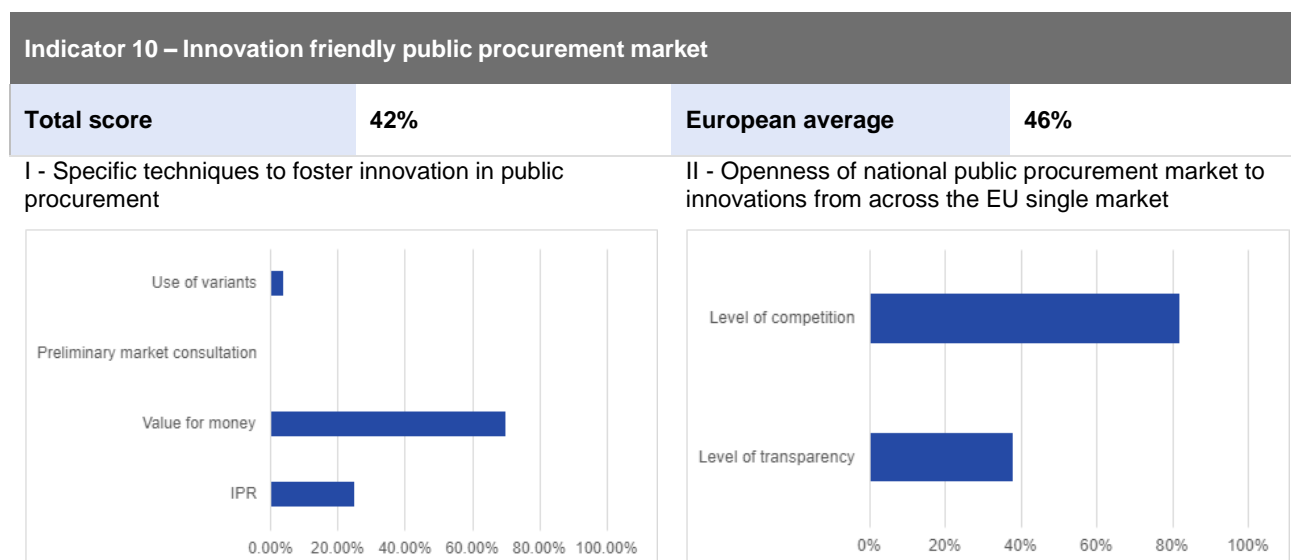
³⁶ https://www.ioeb.at/fileadmin/ioeb/Dokumente/IOEB_Kriterienkatalog/IOEB-Kriterienkatalog.pdf

complexity and time expenditure to be able to procure innovative services efficiently. However there are no complete **template tender documents** for innovation procurement provided. For this reason, the total score for the sub-indicator tender documents is 0% and for guidance is 67%.

In the field of **networking activities between procurers**, at least once a year one of the (currently) five gamechanger partners of the IÖB hosts a networking event for the other gamechangers. The PPPI competence centre organizes keynote speakers and knowledge exchange on current innovation procurement projects. The Austrian Energy Agency organizes workshops to match local, regional implementers³⁷ with each other and with innovative companies (preferably those from the IÖB-Marketplace). In addition, there are several workshops and events with the winners of the yearly IÖB Calls. A new initiative has also just started called Beschaffungstrendst³⁸. It is a networking platform for public procurers in Austria. The IÖB service centre operates the platform with the aim of identifying new technologies, trends, and developments for public procurement at an early stage together with those responsible for procurement and preparing them for public purchasing. However, the competence centre does not undertake systematic activities to network Austrian procurers with procurers from other countries to prepare for EU funded innovation procurements. Therefore the score for sub-indicator networking is 83%.

Finally, support by the PPPI Service Centre is provided both on a more general basis (legal framework, providing information and advice on tools that can be used) and as case-by-case **assistance** (tailor-made workshops, support in setting up innovation procurement projects/project development, providing support via the PPPI online platform - e.g. challenges). There is no limitation in terms of days of assistance provided, but assistance is provided only to national procurements and not for EU funded innovation procurements. Consequently, the total score for this sub-indicator assistance is 83%.

Based on the evidence collected, the total score for the indicator is 65%, which is the same as in the previous benchmarking. The performance is well above the European average (28%). Austria, together with the Netherlands is the best performing country in regards to this indicator.



This indicator synthesises to what extent the national public procurement market in Austria encourages the implementation of innovation procurement. It is composed of two sub-indicators that reflect:

I. The use of specific techniques to foster innovation in public procurement in the country

II. The openness of the national public procurement market to innovations from across the EU single market

With regard to the **sub-indicator I**, Austria shows the following evidence:

- a. **IPR default regime:** The score for this sub-indicator is 25%, which is below the European average of 40%, because there is no default scenario for the distribution of IPR rights between procurers and suppliers in Austria. There are no legal provisions in Austrian law or in relevant guidance documents to regulate allocation of IPR rights, but instead, it is up to the public procurers to specify clearly the IPR allocation for the procurement in its tender documents so that it stimulates innovation and is compliant with applicable IPR/copyright law. The Austrian public procurement law foresees that public procurers can require in the tender specifications a transfer of IPR rights between (sub)contractors and the procurer. However, according to the Federal Act on Copyright in Literary

³⁷ <https://www.klimaundenergiemodellregionen.at/>

³⁸ <https://www.ioeb.at/beschaffungstrends>

and Artistic Works and on Related Rights (Copyright Act)³⁹, copyrights (moral right) cannot be transferred by the creator to another party, even when the creator is commissioned by the procurer (as contractor) or employed (e.g. by a subcontractor) to work on the procurement contract. If the procurer wants to use copyrights created by (sub)contractors in his procurement, he must require in the tender specifications a license to the economic rights (e.g. usage, licensing, publication, modification, reproduction rights) at an equitable payment. Copyright protects also scientific work (product designs, product specifications, tests etc.), computer programs and databases. Austrian guidance on legal aspects related to innovation procurement⁴⁰ mentions with an example of a procurement that contains prototype development that keeping all IPR related rights with the procurer is more costly and a cheaper solution that can also satisfy the procurer's needs would be for the procurer to retain only usage rights of the project results (solution and development specification), but the guidance does go further into details nor does it make any concrete recommendations on IPR handling in public procurement in general.

- b. **Use of value for money award criteria:** Based on the EU Single Market Scoreboard, 70% of the procurement procedures published on TED were not awarded on the basis of the lowest price only. This is well above the European average of 43.87% but still below the satisfactory level of 80% set in EU Single Market Scoreboard.
- c. **Use of variants:** Austria has allowed the use of variants in 3.67% of the public procurement procedures published on TED. This percentage is above the European average of 3.28%.
- d. **Preliminary Market Consultations:** Austria has used preliminary market consultations in 0.03% of the procedures published on TED. In this case, the percentage is below the European average of 1.39%.

Based on this evidence, the score for the sub-indicator I is 24.68%, which is moderately above the European average of 22.13%. This is mainly due to the above average use of value for money award criteria. However, there is still below average performance on adopting an IPR default regime that fosters innovation in public procurement and underutilization of preliminary market consultations.

For the **sub-indicator II**, Austria shows the following evidence (based on the EU Single Market Scoreboard):

- e. **Level of competition:** The level of competition of the national public procurement market is 82%, which is slightly above the European average of 82.00% but still below the 92.5% satisfactory level set by the EU Single Market Scoreboard. This performance is driven mainly by the slightly above average portion of procurement procedures where a call for bid was used (93%) compared to the European average (92%).
- f. **Level of transparency:** The level of transparency of the public procurement market accounts for 37.93%, which is far below the European average 58.14% and very far below the 66.33% satisfactory level set by the EU Single Market Scoreboard. This performance is mainly driven by the high amount (87%) of missing buyer registration numbers in published tenders, which is crucial to understand who is buying. The publication rate on TED (4.8%) also needs further improvement to reach the satisfactory level (5%).

Based on this evidence, the score for the sub-indicator II is 59.97% which is significantly below the European average of 70.25% and below the satisfactory level of 79.4% set by the EU Single Market Scoreboard. This is mainly driven by the very low level of transparency.

Based on the scores for sub-indicators I and II, the total score for the indicator "**Innovation friendly public procurement market**" is 42%, which is slightly **below the European average of 46%**. This score is explained by the fact that the level of transparency is very far below the European average and the use of specific techniques to foster innovation in the country is not at full speed yet. Even though the use of value for money award criteria is well above the European average, the use of preliminary market consultations and the implementation of an IPR regime that fosters innovation is below the European average. The country has recognised and indicated in its Action Plan on PPPI that there is a lack of know-how in Austria on how to implement the possibility to leave IPR ownership right with the suppliers in public procurement contracts while keeping usage and licensing rights for the public procurer; however, specific actions to address this issue have not yet been implemented. The total score of the indicator is same as the previous year.

³⁹ <https://www.wipo.int/wipolex/en/text/586610>

⁴⁰ <https://www.ioeb.at/fileadmin/ioeb/Dokumente/Infotehk/IOEB-Rechtsleitfaden.pdf>



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