

Trials and Tribulations in the Implementation of Pre-Commercial Procurement in Europe

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Preface

Pre-commercial procurement (PCP) is a specific approach to the procurement of research and development (R&D) services outside the remit of the European Public Procurement Directives.

The European Commission brought this approach to the front of the innovation European policy agenda since 2007. In a Communication from 2007, the Commission explained what economic benefits the wide deployment of PCP may generate and clarified the applicable legal framework.

The European Commission's initiative was partly motivated by the desire to emulate the perceived success of the United States (US) Small Business Innovation Research (SBIR) program and partly by the desire to prevent that similar national initiatives in the United Kingdom (UK) and the Netherlands would be deployed as illegal state aid schemes. Since its 2007 Communication, the European Commission has undertaken additional efforts to encourage procurers in the European Union (EU) to engage in PCPs; It has commissioned studies with the purpose to understand the barriers to implementation and to promote good practices; it has co-funded cross-border collaborative PCPs; it has financed the drafting of a practical Toolkit which explains the steps in the deployment of a PCP and it has endorsed a team of experts to advise procurers on various aspects of implementation.

The Commission has had several attempts to assess the economic and social impacts of PCP in Europe, with mixed outcomes. This was particularly due to the limited number of projects that qualify as PCP and that have been finalized. The national R&D procurement programs (e.g. in the UK, the Netherlands and Belgium) have also come under internal scrutiny in 2014–2015, prior to deciding their continuation.

PCP in particular and R&D procurement in general are not yet established approaches in the EU. PCP is not widely implemented and the successful examples are still very few. However, partly due to the European Commission efforts, the level of interest and the level of understanding of this procedure by procurers throughout Europe are increasing.

Due to the unfolding debate on the topic, there have been so far no attempts in literature to tackle PCP from a general perspective. Only several articles have been written on PCP, mainly concerning legal aspects or its place within the innovation policy framework.

This book aims to advance the understanding of PCP as innovation policy instrument. First of all, it seeks to place PCP within its political and economic context. It elucidates its origins and its economic rationale. It provides a list of minimum requirements for the appropriate implementation of PCP policy and the appropriate deployment of PCP projects. Second, it assesses the value and achievements of similar policy programs, in the US, the UK, the Netherlands and Belgium and draws additional lessons for the effective implementation of PCP. Third, it suggests a clear conceptualization of PCP and a clear delineation from other innovation policy instruments. In this context, it highlights the gaps in the legislative framework. Fourth, it raises awareness of the remaining obstacles to its wide and effective implementation. It examines various solutions ranging from coordination measures by the European Commission to law interpretation and legislative reform.

This book can be useful to all actors involved in the setting up, coordination and assessment of PCP programs and in the implementation of PCP projects. It is also useful for teaching and training purposes.

This book makes use of illustrative practical examples of policy-making and projects implementation in various countries. Particularly the approaches and performances of the US SBIR program, the UK SBRI program, of the Dutch SBIR program and of the Flemish Procurement of Innovation (PoI) program are discussed. The analysis of these programs is used to assess the appropriateness of EU's effort to promote its own variant of R&D procurement, the PCP. But the book goes beyond presenting cases and policy or legislative frameworks. It outlines the author's own analysis and interpretation of the PCP legal frameworks and cases.

The material in the book is up to date as of July 2016.

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Contents

1	Introduction	1
1.1	Pre-Commercial Procurement ('PCP')—Definition and Background	1
1.2	The Reality of PCP Implementation	3
1.3	Outline of the Book	5
	References	7
2	Political Background to PCP Adoption—An Institutional Approach	9
2.1	Introduction	9
2.2	European Council's Guidance	10
2.3	European Commission's Actions	14
2.3.1	Actions to Promote Public Procurement as Innovation Policy Instrument	14
2.3.2	Actions to Promote PCP Within the EU Innovation Policy	17
2.4	European Parliament's Support	24
2.5	Summing-Up Policy Support for PCP	25
	References	26
3	The Economic Rationale for PCP	31
3.1	Introduction	31
3.2	Innovation Policy as Decision-Making Under Uncertainty	33
3.3	Relation Between Innovation and (Public) R&D Investments	38
3.4	European Venture Capital Markets—Investments in (Risky) R&D	47
3.5	The Impact of Public Needs/Demand on Firms' Strategies for Creativity and Innovation	50
3.6	PCP for the Development of Innovative Services	58
3.7	Conclusion	61
	References	63

4	The US Model of R&D Procurement—Lessons for PCP	69
4.1	Introduction	69
4.2	The Features of the US SBIR Program	70
4.2.1	Legislated Set-Asides	70
4.2.2	The Rationale Behind the SBIR	72
4.2.3	Organisational Features	75
4.3	Quantifying the Impact of the US SBIR Program—The Debate	92
4.3.1	Impact of US SBIR	92
4.3.2	Strengths and Points of Improvement	99
4.4	Lessons for the EU	101
	References	103
5	Placing PCP Within the Legislative Framework	107
5.1	Introduction	108
5.2	The Features of PCP	108
5.2.1	Objectives	108
5.2.2	Non-Mandatory Implementation	109
5.2.3	Direct and Catalytic PCP	110
5.2.4	Phases	110
5.2.5	Eligibility and Award Criteria	112
5.2.6	Summarizing Remarks	113
5.3	Legal Boundaries to PCP Implementation	114
5.3.1	Compliance with the Procurement Directives	114
5.3.2	Compliance with the TFEU Fundamental Principles	119
5.3.3	Compliance with the EU State Aid Rules	120
5.3.4	Compliance with the GPA	122
5.3.5	Summarizing Remarks	123
5.4	Procedural Flexibility in the Deployment of PCP	124
5.4.1	Rebuttable Presumption of Cross-Border Interest and Applicability of Treaty Principles	124
5.4.2	Germany v Commission Case—Resolution of the Disputes?	133
5.4.3	Conclusions	138
5.5	The Concept of R&D Services in PCP	140
5.5.1	Introduction	140
5.5.2	The Frascati Manual on R&D	141
5.5.3	EU Guidance on the Concept of R&D	146
5.5.4	Conclusions	149
5.6	Distinction from Other Innovation Policy Tools	150
5.6.1	PCP and Functional and/or Performance Specifications	151
5.6.2	Competitive Dialogue	151
5.6.3	R&D Subsidies	152
5.6.4	Forward Commitment Procurement	154
5.7	Conclusions	155
	References	156

6	The Realities of Public R&D Procurement Implementation in the EU—Trials and Tribulations	159
6.1	Introduction	159
6.2	PCP’s ‘ <i>State of Play</i> ’ in the EU	160
6.3	The UK SBRI.	162
6.3.1	Background and Evaluation of SBRI (2001–2008)	162
6.3.2	SBRI—Features of the Latest Version (2008 and Later)	164
6.3.3	SBRI Evaluations	168
6.3.4	Projects	171
6.3.5	Conclusions	172
6.4	The Dutch SBIR.	174
6.4.1	Background to Adoption	174
6.4.2	Features of the Dutch SBIR	176
6.4.3	Evaluation.	181
6.4.4	Projects	183
6.4.5	Conclusions	185
6.5	The Flemish PoI	187
6.5.1	Description and Initiation Background	187
6.5.2	Features of the Flemish PoI	190
6.5.3	Projects	192
6.5.4	Conclusions	194
6.6	EU Support for PCP.	196
6.6.1	The Rationale Behind European Commission’s Intervention.	196
6.6.2	European Commission Incentivizing Actions	197
6.7	Conclusions	200
	References.	202
7	Legal Barriers and Conceptual Pitfalls	203
7.1	Introduction	203
7.2	The EU Project	204
7.3	The Burden of a New Competitive Award After the PCP	207
7.3.1	Introduction	207
7.3.2	The WTO GPA Constrains	208
7.3.3	The EU Procurement Directives & the Purchase of PCP Solutions	215
7.3.4	Conclusions	224
7.4	Interplay Between PCP and EU State Aid Rules	225
7.4.1	Introduction	225
7.4.2	The Market Price Criterion—Before 2014.	225
7.4.3	The 2014 Framework for State Aid for R&D&I	229
7.4.4	Applicable Rules to a PCP Subsidy	230
7.5	The Obligation to Ensure a ‘Level Playing Field’	238
7.6	Conclusions	241
	References.	242
8	Concluding Remarks—the Case for EU Coordination of R&D Procurement	245