



## “Innovation friendly” procurement in Norway



Public Procurement Principle: **Balance, Participation**



Procurement Stage: **Pre-tendering, Tendering**



Audience: **Procuring entity, Private sector, Policy maker**

### Description

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Political support for the potential of public procurement as an effective innovation instrument has been recently achieved in Norway. At the same time, Norway has a decentralised procurement system and highly independent procuring entities. Thus, to promote a more widespread application of procurement for innovation, the contracting authorities needed more support. As a result, a programme was established in 2010 dedicated to promoting procurement for innovation and for supporting contracting authorities in carrying out procurement in a more ‘innovation friendly’ way.

The programme was a collaborative effort between the organisations representing the three major stakeholders in public procurement: the confederation for enterprises (suppliers), the association for local level procuring entities and the agency responsible for central procuring entities. Since 2010, the programme has contributed to more than 100 projects using the procurement process as a strategic instrument to encourage innovation. The projects focus on several areas, including healthcare, digitalisation, building and the environment.

Another part of the programme’s work is to initiate processes to scale up and coordinate individual local efforts that are of national interest, e.g. procuring welfare technology, knowledge exchange, improving market conditions and targeted efforts to develop new and better solutions for the public sector and citizens. Evaluations of several of the projects show cost-savings, environmental benefits, and qualitative improvements in public sector services. Also noteworthy is the finding that suppliers involved in these “innovation friendly” procurements invest six times more in innovation than suppliers who have not been involved. This supports the argument for using public procurement as an effective demand-side innovation instrument for governments.



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Source: OECD Public Governance Reviews Second Public Procurement Review of the Mexican Institute of Social Security (IMSS) Reshaping Strategies for Better Healthcare more info: <https://doi.org/10.1787/9789264190191-en>

