

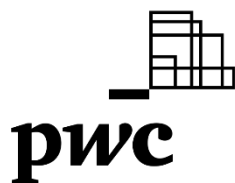


# Norway

## COUNTRY PROFILE – Benchmarking of national policy frameworks for innovation procurement

This is the country profile of Norway 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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# Norway



## 1. National policy framework for innovation procurement

### Governance and legal framework

Norwegian public procurement legislation predominantly aligns with EU directives, reflecting Norway's commitment to its obligations under the European Economic Area Agreement. The 2017 Norwegian Act on Public Procurement (LOV-2016-06-17-73<sup>1</sup>) is accompanied by four regulations that implement Directive 2014/24/EU for public authorities (FOR-2016-08-12-974<sup>2</sup> amended by FOR-2016-12-20-1744<sup>3</sup>), Directive 2014/25/EU for utilities (FOR-2016-12-20-1745<sup>4</sup>), directive 2014/23/EU (FOR-2016-12-20-1746<sup>5</sup>) for concessions, and Directive 2009/81/EC (FOR-2013-10-04-1185<sup>6</sup>).

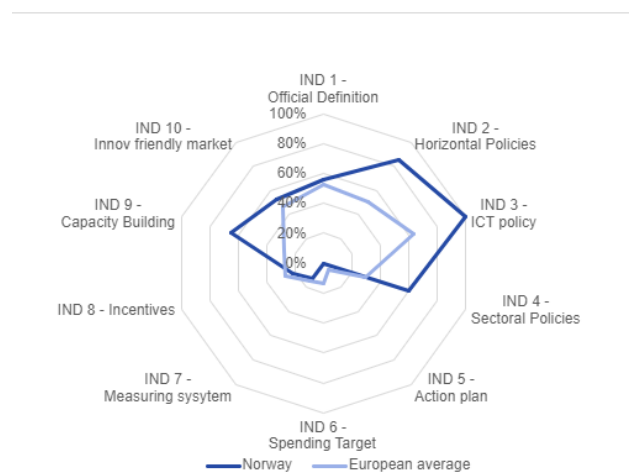
**The Ministry of Trade and Industry (NHD)** provides the legal framework for public procurement and innovation policy, including the strategic use of public procurement to advance innovation objectives.

The **Agency for Public and Financial Management (DFØ)** facilitates the implementation of innovation procurement by fostering competence development and dissemination efforts. DFØ, together with the **Norwegian Association of Local and Regional Authorities (KS)** and the **Confederation of Norwegian Enterprise (NHO)**, oversees the "National Program for Supplier Development" which stimulates and assists the implementation of innovation procurement projects.

The **Norwegian Research Council** provides funding for public buyers to implement pre-commercial procurements.

### Innovation Procurement Policy Framework Benchmarking (2024)

In the benchmarking of national innovation procurement policy frameworks across Europe, Norway is at the 7<sup>th</sup> position of the overall ranking with a total score of 45.38%. Norway performs above the European average (33.05%) in total as it performs above European average on 6 out of 10 indicators. Even though the country increased its score significantly (from 38.1% to 45.38%), it remained at the same position in the ranking as other countries improved their policy framework faster. Out of the 30 countries analysed, Norway is one of the moderate performers. As Norway implemented less than half (45.38%) of the policy measures to establish a comprehensive policy framework for innovation procurement, a significant strengthening of the policy framework is still required in Norway for it to realize its full potential.



#### Strengths

Strong support for innovation procurement from the ICT policy and from six out of seven horizontal policies. Good set of capacity building activities for public procurers. Some financial incentives for R&D procurements.

#### Weaknesses

Lack of strategic framework to mainstream innovation procurement widely: absence of a dedicated action plan, spending targets and a structured monitoring system for innovation procurement. Limited number of financial incentives and no personal incentives to motivate public buyers. Four out of ten sectors do not embrace innovation procurement yet. 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. Lack of an IPR policy that welcomes innovation in all public procurements which may explain the high number of procurements that attract only one bidder. Need to further improve the use of value for money award criteria, variants and preliminary market consultations.

<sup>1</sup> <https://lovdata.no/dokument/NL/lov/2016-06-17-73>

<sup>2</sup> <https://lovdata.no/dokument/SF/forskrift/2016-08-12-974>

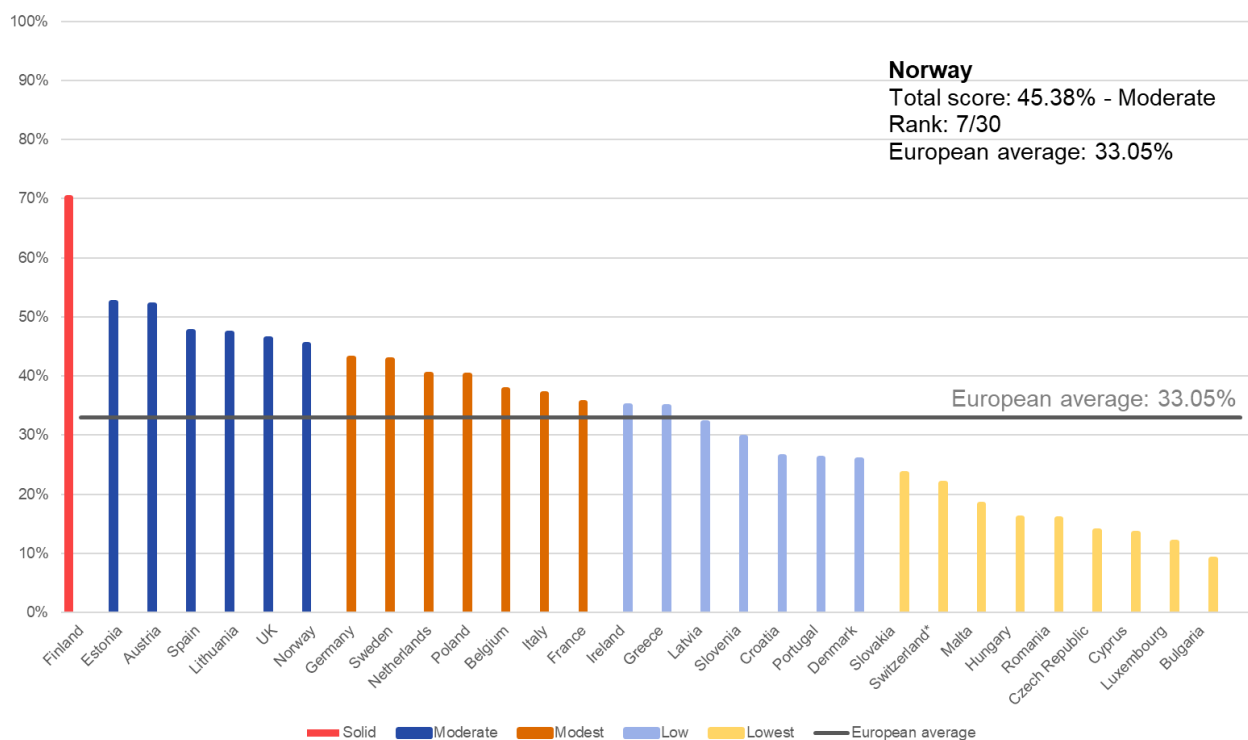
<sup>3</sup> <https://lovdata.no/dokument/LTI/forskrift/2016-12-20-1744>

<sup>4</sup> <https://lovdata.no/dokument/LTI/forskrift/2016-12-20-1745>

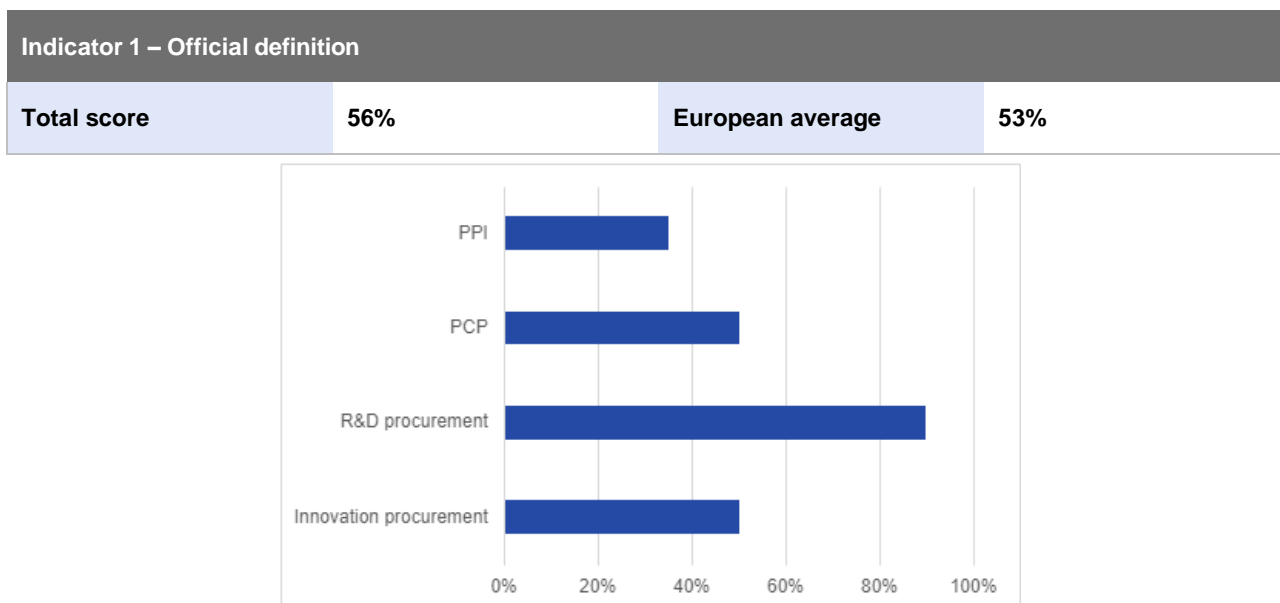
<sup>5</sup> <https://lovdata.no/dokument/LTI/forskrift/2016-12-20-1746>

<sup>6</sup> <https://lovdata.no/dokument/SF/forskrift/2013-10-04-1185>

## Overall ranking



## Overview per indicator



The Norwegian public procurement legislation provides official definitions for innovation and an official definition for R&D procurement in the defence sector. However, there is no official definition for Public Procurement of Innovative solutions (PPI). The definitions for innovation procurement and Pre-Commercial Procurement (PCP) can be found on the DFØ website.

The public procurement regulation (FOR-2016-08-12-974)<sup>7</sup> defines **innovation** as “the implementation of a new or significantly enhanced product, service or process, including but not limited to processes of production, construction or construction, a new method of placing on the market or a new method of organization in business practice, organization

<sup>7</sup> <https://lovdata.no/dokument/LTI/forskrift/2016-08-12-974>

of workplace or external relations among others to help address social challenges or to support the Europe 2020 strategy for smart, sustainable and inclusive growth". This definition aligns with the EU definition and is applicable countrywide.

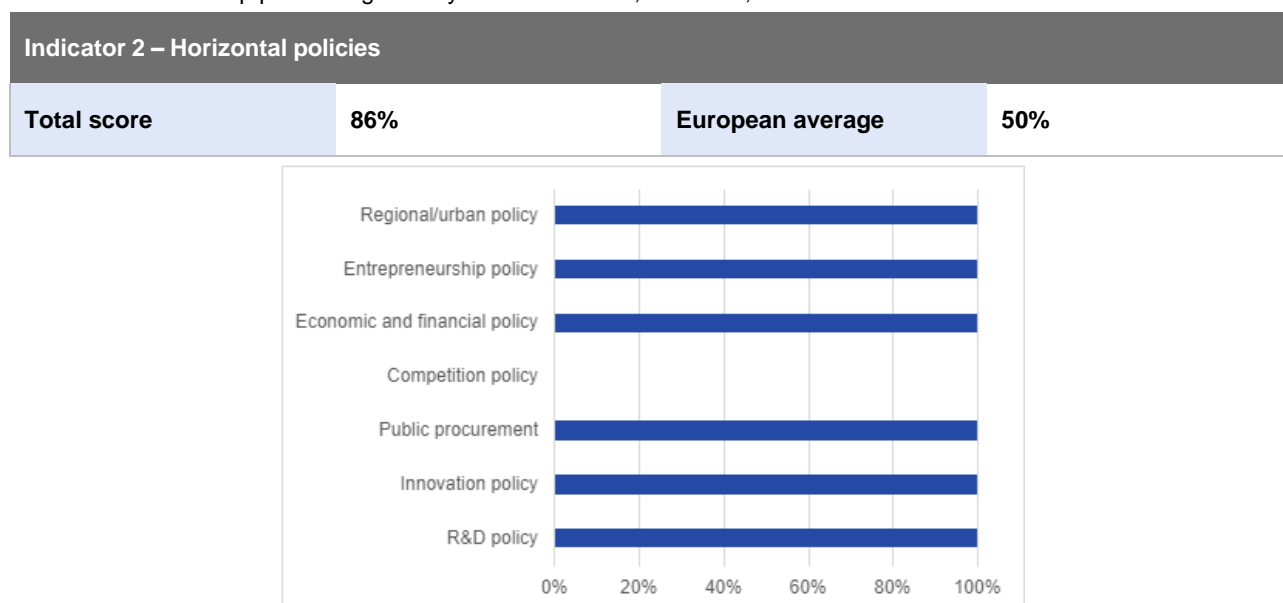
There is a definition of **innovation procurement** provided on the DFØ website guidance<sup>8</sup>: "An innovative procurement describes a situation where you as a client have a problem/challenge or an opportunity, for which there is no solution in the market. Therefore, you cannot put this out to tender in the normal way because there are no suppliers who can deliver. You therefore start a process together with the market to develop such a solution, without knowing in advance what such a solution will consist of, how it will work or look. You demand innovation." This definition deviates somewhat from the EU definition of innovation procurement as it does not encompass the purchase of innovative solutions that already exist in a small quantity on the market, and it requires that innovation procurement encompasses the development of a new solution. Consequently, the score for this sub-indicator is 50%.

For non-defence procurers, Article 2-5 of the Public Procurement Act outlines **R&D** as activities covering fundamental research, applied research, and industrial development as defined by the corresponding CPV codes. The Regulation on Defence and Security Procurements provides a definition of R&D in Article 4-1 of the General Definitions section as "all activities encompassing basic research, applied research, and experimental development. This may also involve the creation of technology demonstrators, illustrating the performance of a new concept or technology in a relevant or representative setting." The alignment of CPV codes and the provided definition is consistent with the Directives of EU public procurers. However, it is important to note that this definition is exclusively applicable to defence procurers. Consequently, the score for the sub-indicator is 90%.

Article 2-5 of the Public Procurement Act incorporates the exclusion for R&D services, which serves as the legal foundation for implementing PCP, specifically stating that "the law only applies to R&D services procurements following the cumulative conditions of "(a) products belong exclusively to the contracting authority for its own use at pursuing its activity; and (b) the service is wholly remunerated by the contracting authority." The DFØ website provides a definition of **PCP**<sup>9</sup> that applies to all public procurers in the country. However, it does not entirely align with the EU definition, as it does not acknowledge the possibility to purchase non-commercial volumes of solutions within a PCP.<sup>4</sup> Therefore, the score for the sub-indicator is 50%.

While there is no official definition for **PPI**, the Public Procurement Act empowers all procurers to engage in PPI. This is achieved by permitting procurers to consider the characteristics of innovative solutions during the awarding process and performance monitoring: "the client may make appropriate requirements and criteria related to different stages of the procurement process, so that public contracts are implemented in a manner that promotes environmental, innovation, employment and social conditions, provided that the requirements and criteria are related to the delivery." Therefore, the score of this sub-indicator is 35%.

As a result, the total score for the indicator official definition is 56%, same as in the previous benchmarking. The performance is slightly above the European average (53%) but there is room for future improvement as the performance is still far below the top performing country on this indicator, Lithuania, which scores 76%.



In Norway, innovation procurement is integrated into six out of seven horizontal policies: urban/regional policy, economic and financial policy, public procurement policy, R&D policy, innovation policy and entrepreneurship policy.

<sup>8</sup> <https://anskaffelser.no/innovasjon/hva-er-innovative-anskaffelser>

<sup>9</sup> <https://anskaffelser.no/avtaler-og-regelverk/anskaffelsesprosedyrer/kommersielle-anskaffelser>

The **Strategy for Increased Innovation Impact of Public Procurement (2013)**<sup>10</sup> assigns a primary role to innovation procurement. The more recent **An Innovative Public Sector report to the Norwegian Parliament (2020)**<sup>11</sup> states that *"The Government would like public procurements to contribute to innovation and the restructuring of the Norwegian economy. Public procurers have a great potential to contribute to innovative thinking and development in the supplier market, by demanding new and better solutions. The Government will continue with its innovative procurement instruments and improve guidelines with a view to increasing public sector innovation."* Therefore, the score for **public procurement policy** is 100%.

Additionally, the national **Long-term plan for Research and Higher Education 2015–2024**<sup>12</sup> emphasizes that *"Public procurements and public private cooperation are examples of collaboration that must be designed so they become instruments for addressing challenges that require research or innovation. The potential for using public procurements to mobilise the business community toward more research and innovation is considerable. A public sector that demands expert goods, services and solutions, and that cooperates with the business community, can be an important catalyst for more research and innovation. Continued development of public procurement schemes is an effective tool for promoting more R&D in trade and industry."* The Research Council Norway adopted its **Strategy for Innovation in the Public Sector**<sup>13</sup>, which states that *"The public sector can contribute to innovation-friendly markets, both by increasing the demand for innovative goods and services and by cooperating with providers on the development of new products and services."* Therefore, the score for the sub-indicators **R&D policy** and **innovation policy** is 100%.

The government's **Simplification Project and Strategy for Small and Medium-sized Enterprises**<sup>14</sup> recommends the public sector to increase the use of preliminary market consultations and innovation procurement. Therefore, the score for the sub-indicator **entrepreneurship policy** is 100%. **Smarter procurement – Efficient and professional procurement**<sup>15</sup> explains the government's economic and financial view on innovation procurement: *"Public procurement is also an important tool both to ensure that public funds are used correctly, and to contribute to innovation and efficiency in Norwegian business so that it can become more adaptable and competitive. At the same time, public procurement must also contribute to solving other important social tasks. It is important that procurers receive adequate guidance, so that they can build the necessary competence to implement innovation procurement efficiently, that innovative solutions get sufficient spread and scaling, and that the policy apparatus contributes with risk-reducing schemes."* The **2021-2022 annual reports of the Norwegian Agency for Financial Management (DFØ)**<sup>16</sup> under the main objective 2 'The public sector carries out more efficient procurement' state that *"Public procurement has significant potential for economic benefits and is an important strategic tool for the public sector to achieve its goals and become more efficient, sustainable and innovative. DFØ helps with training and assistance."* Therefore, the score for the sub-indicator **economic and financial policy** is 100%.

The **Smarter Procurement – Efficient and professional procurement strategy**<sup>15</sup> published by the Ministry of Modernisation and Local Authorities also emphasises the importance of innovation procurement for local authorities and the policy of the Association of local and regional authorities to increase the use of innovation procurement<sup>17</sup>. It also states that *"the government will explore the coordination of county and municipal procurement, including how this can contribute to an increased spread of innovative solutions."* Therefore, the total score for the **urban/regional policy** indicator is 100%.

The total score for the indicator is 86%, which is a significant improvement compared to the previous benchmarking when the country scored 29%, as only two horizontal policies then embraced innovation procurement. The score is above the European average (50%). Together with Finland and Estonia, Norway is leading on this indicator with six out of seven horizontal policies that support innovation procurement.

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

Norway's **Digital Strategy for the Public Sector 2019-2025**<sup>18</sup> states that *"The public sector spends over NOK 500 billion annually on procurements, but a small portion of this money appears to be actively used to stimulate innovation. Therefore, a goal will be to increase the innovation impact of public procurements. Innovation procurements are about using public procurements to streamline and renew the public sector, while the business sector innovates and creates new jobs at the same time."*

<sup>10</sup> [https://www.regjeringen.no/globalassets/upload/nhd/vedlegg/rapporter\\_2013/innovasjonseffektavoffentligeanskaffelser\\_2013.pdf](https://www.regjeringen.no/globalassets/upload/nhd/vedlegg/rapporter_2013/innovasjonseffektavoffentligeanskaffelser_2013.pdf)

<sup>11</sup> <https://www.regjeringen.no/contentassets/14fce122212d46668253087e6301cec9/en-gb/pdfs/stm201920200030000engpdfs.pdf>

<sup>12</sup> <https://www.regjeringen.no/contentassets/e10e5d5e2198426788ae4f1ecbbbbc20/en-gb/pdfs/stm201420150007000engpdfs.pdf>

<sup>13</sup> <https://www.forskningssradet.no/siteassets/publikasjoner/strategy-for-innovation-in-the-public-sector.pdf>

<sup>14</sup> [https://www.regjeringen.no/globalassets/upload/nhd/vedlegg/brosjyrer/smatinget\\_brosjyre1\\_endret.pdf](https://www.regjeringen.no/globalassets/upload/nhd/vedlegg/brosjyrer/smatinget_brosjyre1_endret.pdf)

<sup>15</sup> <https://www.regjeringen.no/contentassets/2d7006f67c374cbdab5d4d6ba7198ebd/no/pdfs/stm201820190022000dddpdfs.pdf>

<sup>16</sup> <https://dfo.no/om-dfo/instruks-tildelingsbrev-og-arsrapport/dfos-arsrapport-2021/hovedmal-2-i-2021-offentlig-sektor-gjennomforer-effektive-og-baerekraftige-anskaffelser> and <https://dfo.no/om-dfo/instruks-tildelingsbrev-og-arsrapport/dfos-arsrapport-2022/hovedmal-2-i-2022-offentlig-sektor-gjennomforer-effektive-og-baerekraftige-anskaffelser>

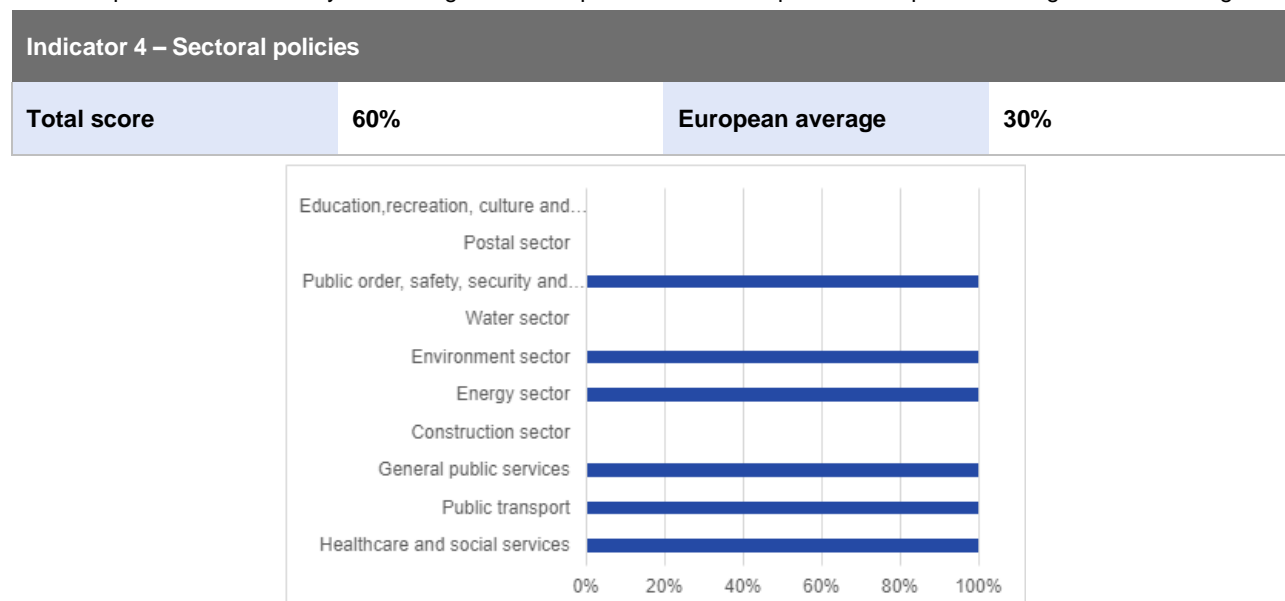
<sup>17</sup> <https://www.ks.no/fagomrader/innovasjon/framtidas-kommune/innovative-anskaffelser/>

<sup>18</sup> [https://www.regjeringen.no/contentassets/db9bf2bf10594ab88a470db40da0d10f/en-gb/pdfs/digital\\_strategy.pdf](https://www.regjeringen.no/contentassets/db9bf2bf10594ab88a470db40da0d10f/en-gb/pdfs/digital_strategy.pdf)

According to a directive outlined in Part III of the **ICT Policy for Value Creation and Inclusion**<sup>19</sup>, the government aims to bolster innovation and business advancement within welfare technology. This will be achieved through the adoption of open standards and an expanded application of innovative procurement practices.

For what regards encouraging the use of innovation procurement to accelerate the uptake and reinforce EU strategic autonomy for strategic ICT technologies, **Norway's Artificial Intelligence Strategy**<sup>20</sup> states that *"The public sector ought to actively explore opportunities in the market in connection with procurements, and innovative public procurements should be used where appropriate to facilitate innovative solutions, agencies ought to focus on their needs rather than on specific products or services."* Norway's **National Cybersecurity Strategy**<sup>21</sup> does not encourage public buyers to use innovation procurement. Norway does not have a specific **national strategy for quantum or semiconductors**.

The strategic importance of innovation procurement is explicitly recognised in both the overall ICT policy of the country and policies for some specific critical ICT technologies (in particular, for AI). Therefore, Norway scores 100% for this indicator, same as in the previous benchmarking and significantly above the European average (63%). Norway can further improve in the future by embracing innovation procurement in all policies for specific strategic ICT technologies.



Six sectoral policies recognise the strategic importance of innovation procurement: general public services, transport, defence, energy, environment and health.

**The Innovation in the Public Sector Strategy (2020)**<sup>22</sup> announces ten main policy measures of the government to increase the degree of innovation in the public sector. One of these ten measures includes *"to strengthen the instruments for innovative procurement"* across the Norwegian public sector. Therefore, the score for the sub-indicator **general public services** is 100%.

The **National Transport Plan 2018–2029**<sup>23</sup> advocates for the adoption of innovation procurement. It announces that the government will *"Actively use measures such as taxation and public procurement to promote innovative technological solutions."* Therefore, the score for the sub-indicator **transport policy** is 100%.

The **Strategy for Building and Property in the Civil Sector (2021 with vision until 2030)**<sup>24</sup> states (in section 42) that *"In construction projects, the state must make innovative purchases to stimulate cooperation and the development of future-oriented solutions... It also makes it possible for public procurement to be a driving force for innovation and restructuring. Acquisitions can open up new solutions and contribute to innovation and development in the supplier market. The construction and property policy must facilitate more innovation, supplier development and new business models through more use of innovative procurement and market dialogue."* Therefore, the score for the sub-indicator **construction policy** is 100%.

<sup>19</sup> <https://www.regjeringen.no/en/dokumenter/digital-agenda-for-norway-in-brief/id2499897/?ch=8>

<sup>20</sup> [https://www.regjeringen.no/contentassets/1feb5bb2c4fd4b7d92c67ddd353b6ae8/en-gb/pdfs/ki-strategi\\_en.pdf](https://www.regjeringen.no/contentassets/1feb5bb2c4fd4b7d92c67ddd353b6ae8/en-gb/pdfs/ki-strategi_en.pdf)

<sup>21</sup> <https://www.regjeringen.no/en/dokumenter/national-cyber-security-strategy-for-norway/id2627177/>

<sup>22</sup> <https://www.regjeringen.no/no/tema/statlig-forvaltning/forvaltningsutvikling/innovasjon-i-offentlig-sektor/id2610542/>

<sup>23</sup> <https://www.regjeringen.no/contentassets/7c52fd2938ca42209e4286fe86bb28bd/en-gb/pdfs/stm201620170033000engpdfs.pdf>

<sup>24</sup> <https://www.regjeringen.no/contentassets/5b0e9c9f5fc14de7a48594f277e56b37/nn-no/pdfs/h-2516-n-strategi-for-bygg-og-eiendom.pdf>



The government's strategy **Future procurements for the defence sector 2022-2029**<sup>25</sup> highlights that innovation and the adoption of new technologies is strengthened in the procurement strategy for the defence sector. All three defence institutions – Defence Buildings, Defence Material and the Defence Research Institute, are tasked by the government to cooperate on innovation procurement<sup>26</sup>. The **Procurement strategy 2019-2023 of Defence Buildings**<sup>27</sup> states that "Defence buildings must work to increase the buildings' flexibility and mobility so that their lifespan is extended. We will demand innovation in our procurement". The **Defence Research Institute (2022)**<sup>28</sup> is tasked by the government to advise the defence material acquisition teams on new technologies and innovations and to "strengthen the innovation capacity and ordering expertise in new material investments to reduce risks in procurement and further development of new material". Therefore, the score for the sub-indicator **defence policy** is 100%.

The **National Hydrogen Strategy**<sup>29</sup> promotes the use of hydrogen as an energy carrier with a significant potential for reducing local, national, and global emissions, and for creating economic value for Norwegian businesses. The strategy states that the public sector can create "opportunities for innovative solutions by using open requirement specifications that present the client's needs rather than specifying a particular solution. This type of procurement is often described as innovation-friendly procurement. Public sector clients can also actively seek out innovative solutions. This is often described as procurement for innovation". Therefore, the score for **energy policy** is 100%.

The **Norwegian Climate Action Plan 2021-2030**<sup>30</sup> emphasises that "public procurement can play an important part in stimulating demand for low-emission products and services and in developing the market for new climate and environmentally friendly solutions" and states that "In this phase, innovative procurement can also play a part in accelerating technology development." The **Action Plan to increase the proportion of green public procurements and green innovation (2021)**<sup>31</sup> encourages the use of innovation procurement to address challenges that require more climate and environmentally friendly solutions. The Action Plan will use procurement to obtain greener, including innovative greener, solutions in several sectors: transport, construction, building and property, food and catering services, plastic products, ICT/electrical and electronic equipment, batteries, furniture, and textiles. The **Norwegian bioeconomy strategy (2017)**<sup>32</sup> also stipulates that "the public sector should be a role model and motivator for environmentally friendly solutions." It includes therefore as objective "A public procurement practice that contributes to reduce harmful environmental impact and promote climate-friendly solutions where this is relevant, among others by taking life cycle costs into account". Therefore, the score for the sub-indicator **environmental policy** is 100%.

The **Health Industry Strategy (2023)**<sup>33</sup> states that "Public procurement amounts to about NOK 743 billion a year (Statistics Norway 2022) and is an important strategic instrument for stimulating innovation and new solutions. The Norwegian procurement rules facilitate innovation, while fundamental principles of procurement law, such as the principles of competition and equal treatment, guide the implementation of public procurement. The Government expects the health and care services to use their purchasing power wisely, and to use their freedom of action for dialogue with the market. Joint and coordinated supplier dialogue can give municipalities the tools to strengthen their position as buyers and increase predictability in relation to procurement. Coordinated requirements and expectations from municipalities and county authorities can also contribute to predictability for suppliers, lay the foundation for developing municipal systems in a direction that meets the needs of the municipal sector – and that also facilitates innovation, testing, and scaling of solutions". Therefore, the score for the sub-indicator **health policy** is 100%.

The total score of the indicator is 60%, which is an improvement compared to 40% of the previous benchmarking, when only four sectoral policies encouraged the use of innovation procurement. The performance is significantly above the European average (30%), but there is room for future improvement as the score is still below the top performing country, the UK, which scores 90% on this indicator.

Indicator 5 – Action plan			
Total score	0%	European average	6%

Norway does not have a dedicated action plan for innovation procurement. Therefore, the score is 0% for this indicator, same as in the previous benchmarking. The performance is below the European average (6%) and significantly below the top performing country, Finland, which scores 69% on this indicator.

<sup>25</sup> <https://www.regjeringen.no/contentassets/595f6354301a4d7b9d63ef1c8e486482/faf-2022-2029-norsk-version.pdf>

<sup>26</sup> <https://innovativeanskaffelser.no/blogg/forsvarsmateriell-og-forsvarets-forskningsinstitutt-slutter-seg-til-partnerskapet-for-innovative-anskaffelser/>

<sup>27</sup> <https://www.regjeringen.no/contentassets/2854122e9e1446aa985e14ac22d9abd6/forsvarsbygg-arsrapport-2021.pdf>

<sup>28</sup> <https://www.regjeringen.no/contentassets/49e4cfe6111944d6850711617b89dd97/forsvarsdepartementets-tildelingsbrev-for-ffi-2022.pdf>

<sup>29</sup> <https://www.regjeringen.no/contentassets/40026db2148e41eda8e3792d259efb6b/y-0127e.pdf>

<sup>30</sup> <https://www.regjeringen.no/contentassets/a78ecf5ad2344fa5ae4a394412ef8975/en-gb/pdfs/stm202020210013000engpdfs.pdf>

<sup>31</sup> [https://anskaffelser.no/sites/default/files/2022-04/DFO\\_Handlingsplan\\_2021\\_Print%20Engelsk\\_NS\\_F31.pdf](https://anskaffelser.no/sites/default/files/2022-04/DFO_Handlingsplan_2021_Print%20Engelsk_NS_F31.pdf)

<sup>32</sup> [https://www.regjeringen.no/contentassets/32160cf211df4d3c8f3ab794f885d5be/nfd\\_bioekonomi\\_strategi\\_uu.pdf](https://www.regjeringen.no/contentassets/32160cf211df4d3c8f3ab794f885d5be/nfd_bioekonomi_strategi_uu.pdf)

<sup>33</sup> <https://www.regjeringen.no/contentassets/bb72ac44ee7a4ee1b8bb95a7b48210c8/en-gb/pdfs/the-health-industry.pdf>



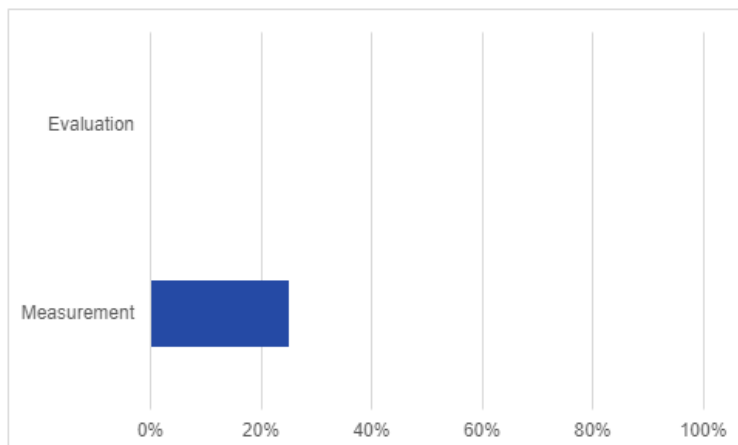
## Indicator 6 – Spending target

<b>Total score</b>	<b>0%</b>	<b>European average</b>	<b>14%</b>
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Norway does not have a designated spending target for innovation procurement and therefore, scores 0% for this indicator, same as in the previous benchmarking. The performance is below the European average (14%) and significantly below the top performing country, Poland, which scores 80% on this indicator.

## Indicator 7 – Monitoring system

<b>Total score</b>	<b>13%</b>	<b>European average</b>	<b>15%</b>
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Norway has introduced attempts to measure innovation procurement spending but still lacks a system to evaluate the impacts of completed innovation procurements.

Regarding the **measurement of innovation procurement expenditure**, Norway has followed up on key actions to "improve access to statistics and data on green and innovative public procurement" set out in the Action Plan to increase the proportion of green public procurements and green innovation. The DFØ uses two data sources to provide insights about innovation procurement practices in the Norwegian public entities: (1) Since 2018, the DFØ conducts a procurement survey, which has been published in 2018, 2020 and 2022.<sup>34</sup> The results provide a knowledge base on the maturity of the public sector in terms of public procurement. For the survey, all state and municipal enterprises were invited for a self-assessment, which covered some dedicated questions about their innovation procurement practices. Only 8% of public buyers stated that they use innovation procurement to a large extent to meet their needs. The central procurement data platform Doffin has been adapted to the eForms standard from the EU, providing tender notices in a more detailed and user-friendly standard.<sup>35</sup> While the platform does not yet offer an access to open data for users, the DFØ has published an analysis from Doffin data from 2018-2022 in 2023.<sup>36</sup> The analysis found that between 2018 and 2022 only 0,43% of all public procurements were implemented with a competitive dialogue or an innovation partnership procedure. As the analysis only focuses on the use of a limited set of innovation-friendly public procurement procedures without checking also spending amounts, it is not a structured approach to measure expenditure on innovation procurement through the public sector. As neither the survey nor the Doffin analysis measure in a structured way how much innovation procurement spending is happening, the score for the sub-indicator measurement of innovation procurement expenditure remains 25%, same as in the previous benchmarking.

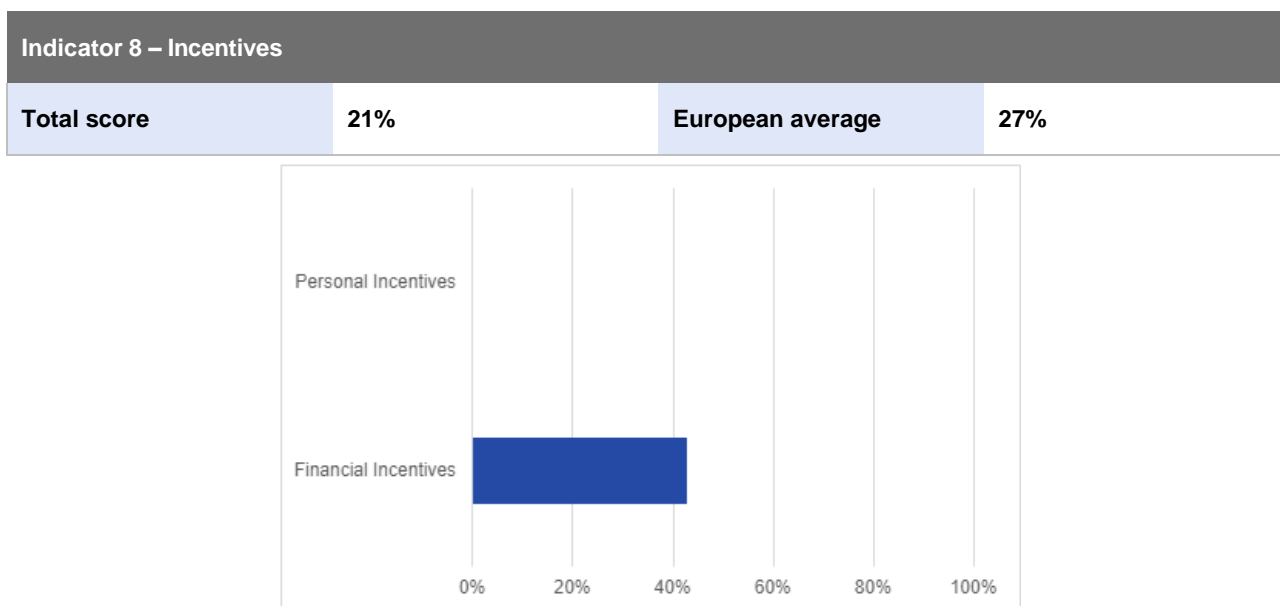
There is still no dedicated system in place to **evaluate the impacts of completed innovation procurements** and therefore Norway scores 0% for this sub-indicator.

This results in a total score of 13% for the monitoring system indicator, same as in the previous benchmarking. The performance is below the European average (15%). There is room for future improvement as the performance is still significantly below the top performing countries: Estonia and Poland which score highest (100%) on the first sub-indicator for having the most comprehensive expenditure measurement systems and Finland and Austria which score highest (50%) on the second sub-indicator for their impact evaluation systems.

<sup>34</sup> <https://anskaffelser.no/innkjopsledelse/anskaffelsesundersokelsen>

<sup>35</sup> <https://anskaffelser.no/n/hjelpesider-doffin/om-doffin>

<sup>36</sup> <https://dfo.no/nokkeltall-og-statistikk/innkjop-i-offentlig-sektor/innovasjonsvennlig-innkjopspraksis>



In Norway, there are some limited financial incentives in place for innovation procurement, but no personal incentives.

**Innovation Norway** has, in the past, co-financed several public buyers to undertake the first Innovation Partnerships in Norway; however, this financing has stopped. Innovation Norway now only provides grants to companies for testing a solution with a public sector entity. Therefore, this support scheme does not count as financial incentive for procurers to undertake innovation procurements.

**Research Council Norway (RCN)**<sup>37</sup> provides co-financing to Norwegian public buyers to prepare and implement pre-commercial procurements. This support of around NOK 100 million annually has been available for many years since the EC published the PCP communication. Research Council Norway's PCP support programs rely on national funds and do not utilize additional EU funds like ESIF. The programme has supported several successful PCP procurements, but the available budget is not able for large scale mainstreaming of PCP across the country.

The state-owned company Enova provides financial assistance for public buyers that procure energy- and climate-friendly solutions. Enova states that they heavily invest in measures that provide more new technology solutions and more users of known technology especially within the sectors of industry, land transport, sea transport, energy systems and construction and property.<sup>38</sup> The Norwegian Digitalisation Agency (Digdir) also provides co-financing to projects with a budget between NOK 10 and 100 million and up to 50% of the project costs.<sup>39</sup> The co-financed projects should facilitate efficiency gains for the work in state enterprises and the municipalities and enable new digital services.

Summing up, there are some financial incentives for public procurers for innovation procurements but not for large scale mainstreaming of all types of innovation procurement across all sectors in which procurers are active in the country. The programmes are using national funds and are not topping-up EU funds like ESIF. Therefore, the score on **financial incentives** is 43%.

Given the absence of **personal incentives** in Norway to motivate public procurers towards increased innovation procurement, the total score for the indicator is 21%, same as in the previous benchmarking. There is room for future improvement for developing financial incentives as the performance on this sub-indicator is still below the European average (27%) and significantly below the top performing countries Lithuania, Finland, Spain and Austria which all score more than 50% on the indicator.

<sup>37</sup> <https://www.forskningsradet.no/sok-om-finansiering/hvem-kan-soke-om-finansiering/offentlig-sektor/forkommersielleanskaffelser/>

<sup>38</sup> <https://www.enova.no/om-enova/>

<sup>39</sup> <https://www.digdir.no/finansiering/kva-er-medfinansiering/1962>

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	✓		✓	✓	✓	67%
Trainings/workshops	✓		✓	✓	✓	67%
Handbooks/guidelines	✓		✓	✓	✓	67%
Assistance to public procurers	✓		✓	✓	✓	67%
Template tender documents	✓		✓	✓	✓	67%
Coordination/pre-approval	✓		✓		✓	50%
Networking of procurers	✓	✓	✓	✓		67%
One-stop-shop /competence centre	✓		✓	✓	✓	67%

Norway implements a range of capacity building initiatives aimed at enhancing procurer knowledge and encouraging the adoption of innovation procurement practices. The high score for this indicator attests of the well-structured capacity building framework within the Norwegian procurement system.

On the **central website**<sup>40</sup> Anskaffinger, which is part of the Norwegian Agency for Public and Financial Management (DFØ), procurement agencies can find different resources on topics such as efficient, green and innovation procurement. Through its central website, the DFØ disseminates official guides and handbooks, hosts training sessions and courses for procurers. These resources cover the link with the support provided by the National Programme for Supplier Development (LUP) and available financial incentives for public buyers for innovation procurement<sup>41</sup>, such as the co-financing for Pre-Commercial Procurement (PCP). However, the link with EU initiatives on innovation procurement is underdeveloped. Additionally, DFØ implements various activities encompassing information dissemination, awareness campaigns, the collection and recognition of good practices, individual advisory services, and international networking efforts. The score for the sub-indicator central website is 83%.

The DFØ<sup>42</sup> provides free of charge support to procurement agencies and suppliers on methods of innovative procurement through regular webinars and trainings on innovation procurement, but without providing link to relevant EU initiatives, setting the sub-indicators **trainings and workshops** at 67%.

The score for guidance documents is 67% due to several guidance documents available free of charge to all public procurers on DFØ's webpages (on PCP, innovation partnerships, about how to do needs analysis etc)<sup>43</sup>.

The National Programme for Supplier Development (LUP) acts as the **competence centre** for innovation procurement and offers examples of **good practices** for innovation procurement within different sectors and with different procurement procedures<sup>44</sup> and **ready-to-use template tender documents** for conducting innovation procurements. The subsection of the central website dedicated to innovation procurement offers and documents such as the LUP Action plan<sup>45</sup>, which also lists the support provided by LUP. However, as none of the listed measures relates to recent EU

<sup>40</sup> <https://anskaffelser.no/innovative-anskaffelser-hovedside>

<sup>41</sup> <https://anskaffelser.no/innovasjon/finansiell-stotte-til-innovative-anskaffelser>

<sup>42</sup> [https://anskaffelser.no/search?search\\_api\\_fulltext=kurs%20og%20webinarer%20innovasjon&x=0&y=0&f%5B0%5D=global\\_taxonomy%3A12](https://anskaffelser.no/search?search_api_fulltext=kurs%20og%20webinarer%20innovasjon&x=0&y=0&f%5B0%5D=global_taxonomy%3A12)

<sup>43</sup> <https://anskaffelser.no/innovative-anskaffelser-hovedside>

<sup>44</sup> <https://innovativeanskaffelser.no/anskaffelser-arkiv/>

<sup>45</sup> [https://unece.org/sites/default/files/2022-09/2\\_DFO\\_D\\_Stromsnes\\_Innovation%20procurement%20in%20Norway.pdf](https://unece.org/sites/default/files/2022-09/2_DFO_D_Stromsnes_Innovation%20procurement%20in%20Norway.pdf)

initiatives or mainstreams innovation procurement at a large scale, the scores for the sub-indicators **competence centre**, **good practices** and **templates** are at 67%.

The **National Programme for Supplier Development**<sup>46</sup> (LUP) was established in 2010 to expedite innovations and the creation of novel solutions by strategically leveraging public procurement. Simultaneously, it aims to open up new market prospects for these innovations and enhance procurers' expertise in innovation procurement. The programme places a special emphasis on pioneering methods to assist both public buyers and suppliers in the realm of innovation procurement. This initiative is a collaborative effort representing both the public and private sector. LUP was established by the Norwegian Association of Local and Regional Authorities (KS) and the Confederation of Norwegian Enterprise (NHO). Innovation Norway and the Research Council are also owners of LUP.

- The Agency for Public and Financial Management (DFØ) offers assistance in crafting tools and providing guidance for public procurement, with a particular focus on innovative procurement.
- The Norwegian Association of Local and Regional Authorities (KS) serves as the bridge between local and regional authorities, encouraging stakeholders towards innovative public procurements. It contributes insights into key strategic areas to pursue, such as upcoming procurements with significant potential for climate-smart solutions, and disseminates lessons learned.
- The Confederation of Norwegian Enterprise (NHO) acts as the intermediary, stimulating the creation of buyers groups and connecting them with private sector participants (e.g. encouraging suppliers to participate in preliminary market consultations and calls for tenders).

The program unites public buyers, particularly local authorities such as cities and counties from various parts of Norway, who shared common agendas and faced similar challenges. Through this collaboration, needs are collectively assessed. Once identified, the market and relevant suppliers are invited to a market dialogue and later also alerted to participate in the procurement. This support provided by the three entities above sets the score for the sub-indicator **assistance to public procurers** at 67%. The National Programme for Supplier Development orchestrates the formation of buyer groups, primarily composed of small procurers like local authorities. It also oversees the orchestration of collective procurement efforts to generate substantial market interest, compelling suppliers to introduce innovative solutions. The programme plays a pivotal role in identifying and articulating shared needs, guiding buyer groups in conducting open market consultations, and advocating for tenders through standardized templates for Pre-Commercial Procurements (PCPs) and other types of innovation procurements provided by FDO. It's worth noting that while these efforts have been instrumental, they have thus far been implemented on a relatively modest scale. Consequently, the **coordination** sub-indicator receives a score of 50%.

The DFØ portal also hosts and communicates network events for public procurement agencies and suppliers. Regular networking events<sup>47</sup> bring together Norwegian local authorities, with a focus on establishing buyer groups that align their procurement needs with the market. Nordic Innovation<sup>48</sup> creates networks of procurers of different Nordic countries to cooperate on procuring innovative solutions. However, given that the networking initiatives are not universally applicable to all types of procurers and sources of finance and have not been widely implemented to mainstream innovation procurement at a large scale, the **networking** sub-indicator achieves a score of 50%.

Based on the gathered evidence, the overall score for this indicator stands at 65%, which is the same result as in the previous benchmarking. The performance is well above the European average (28%) and places Norway on the top of the list of the best performing countries on the indicator together with Austria.

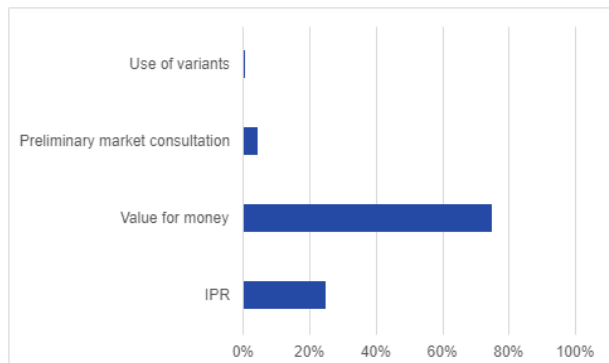
<sup>46</sup> <https://innovativeanskaffelser.no/>

<sup>47</sup> <https://kurs.dfo.no/courses/27845>

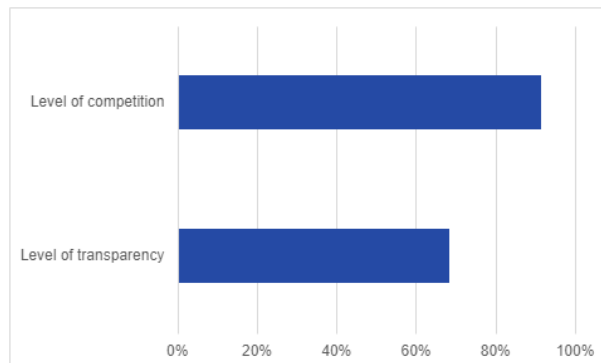
<sup>48</sup> <https://www.nordicinnovation.org/programs/call-proposals-nordic-smart-mobility-and-connectivity-0>

Indicator 10 – Innovation friendly public procurement market			
<b>Total score</b>	<b>53%</b>	<b>European average</b>	<b>46%</b>

I - Specific techniques to foster innovation in public procurement market



II - Openness of national public procurement to innovations from across the EU single market



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

**I. The use of specific techniques to foster innovation in public procurement in Norway**

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

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

- IPR default regime:** The score for this sub-indicator is 25%, which is below the 40% European average, because there is no default scenario for the distribution of IPR rights between procurers and suppliers defined in the Norwegian law, general terms and conditions for government contracts and guidelines on public procurement. It is left to the individual responsibility of each procurer 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 Norwegian Copyright Act<sup>49</sup> assigns copyright to the creator and determines that the moral rights can only be waived to a limited extent by the creator when the use of the work in question is limited in nature and extent. If the procurer wants to use the commissioned work, he must require in the tender specifications the transfer, assignment or a license of the economic rights (e.g. usage, licensing, publication, modification, reproduction rights) at equitable payment. Copyright protects also scientific work (product designs, product specifications, tests etc.), computer programs and databases. The DFØ guidelines about PCP explain that in PCPs the contractors should retain IPR ownership rights and the public procurer retains usage and licensing rights<sup>50</sup>. DFØ template tender documents encourage public buyers to leave IPR ownership with suppliers in PCPs and innovation partnership procurements that are co-financed by government funding programmes but this is not an overall guidance that applies to all public procurement procedures and to all public buyers in the country.
- Use of value for money criteria:** According to the EU single market scoreboard, 75% of the public procurement procedures published in TED have been awarded using criteria that are not only based only on the lowest price. This is well above the European average of 43.87% but below the satisfactory level of 80% set in EU single market scoreboard.
- Use of variants:** Norway has allowed suppliers to submit variant offers in 0.55% of the public procurement procedures published in TED. This percentage is significantly below the European average of 3.28%.
- Preliminary Market Consultations:** Norway has used Preliminary Market Consultations for 4.3% of the public procurement procedures published in TED. This percentage is above the European average of 1.39%

Based on this evidence, the score for the sub-indicator I is 26.21%, which is above the European average of 22.13%. This is mainly due to the above average performance for the use of value for money criteria and Preliminary Market Consultations but below average performance on IPR regime and use of variants.

With regard to the **sub-indicator II**, Norway shows the following evidence (based on the Single Market Scoreboard):

- Level of competition:** The level of competition is 91.5% which is above the European average 82.37% and nearly reaching the 92.5% satisfactory level set by the EU single market scoreboard. The portion of procurements

<sup>49</sup> <https://www.wipo.int/wipolex/en/legislation/details/15949>

<sup>50</sup> <https://www.anskaffelser.no/metoder-gjennomforing-av-utviklingprosjekter/kommersielle-anskaffelser/kontraktsinngaelse>

for which a call for bids was organised (99%) is above European average and satisfactory level (95%), but the portion of procurements for which there was more than one bidder (84%) is below the satisfactory level (90%).

- f. **Level of Transparency:** The level of transparency is 68.5% which is above the European average 58.14% and slightly above the 66.3% satisfactory level set by the EU Single Market Scoreboard. The TED publication rate (6%) is on the European average. The percentage of procurements without missing call for bids information (100%) is above satisfactory level (97%), as well as the percentage of procurements without missing buyer registration numbers (100%).

Based on this evidence, the score for sub-indicator II is 80%, which is above the European average of 70.25% and above the 79.4% satisfactory level set by the EU single market scoreboard. This is due to good levels of competition and transparency of the Norwegian procurement market.

Based on the scores for the sub-indicators I and II, the total score for the **indicator "innovation friendly public procurement market"** is 53%, which is **above the 46% European average**. This score is explained by the fact that both the use of specific techniques to foster innovation in the country and the openness of the Norwegian procurement market to innovations from across the EU single market is above the European average, but the first is still below the satisfactory level. Indeed, the country has not yet anchored in legislation a default IPR regime that fosters innovation in all public procurements. The use of value for money criteria and variants can still be further improved compared to leading countries in those fields. The national public procurement market shows an above European average and satisfactory level of competition and transparency. Compared to the previous benchmarking, the score for this indicator has decreased slightly from 57% to 53%.



