

Taking research and innovation up a notch... and matching innovators with public buyers

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The Western Balkans boasts great growth prospects for the future and high expectations in terms of research and innovation. Highlighting the benefits of smart and stronger connections with the EU, this article also explores the added value of public procurement.

Research and innovation (R&I) was at the heart of [Europe 2020 Strategy](#) – the European Union’s agenda for growth and jobs for the 2010-2020 decade. Stimulating, nurturing and deploying disruptive and market-creating innovations remains the focus under the EU’s new framework programme Horizon Europe.

For the Western Balkan Six (Albania, Bosnia Herzegovina, North Macedonia, Montenegro, Kosovo and Serbia), strengthening R&I capacity is an important step towards EU accession. While each country is at a different phase in this process, they are all improving their capacity at national and regional levels to address new challenges. Improved regional R&I capacity will help the Western Balkan Six meet with EU requirements and standards in key industries. As explained in the World Bank Western Balkans Regional R&D Strategy for Innovation [Study](#), unleashing the Western Balkans’ innovative potential would generate important economic gains.

Human capital and innovation ecosystem in the spotlight

The EU is working with the Western Balkan Six on a promising Innovation, Research, Education, Culture, Youth and Sport [Agenda](#) and is supporting cooperation to facilitate implementation of the Agenda deliverables. There are already a handful of EU-Western Balkans projects in R&I.

At the 2 December 2020 [Ministerial meeting](#) of the Western Balkans Platforms on Education and Training & Research and Innovation, the Western Balkan Six pledged to increase their support in these sectors. It was stressed that ‘a deep innovation agenda will be essential for enhancing human capital development as well as the development of a sustainable innovation ecosystem.’ That said, the WB partners have taken part in more Horizon 2020 and Erasmus+ programmes and are aiming at associating with Horizon Europe. Stepping up R&I systems is crucial for integration of WB national R&I frameworks into the European Research Area for EU accession.

The integration of the Western Balkan Six into the EU is a significant political and economic undertaking aimed at establishing regional stability and development. The road is not smooth. Deficiencies in the R&I sectors need to be addressed to steer the Balkans towards an innovation dominated and knowledge-based economy. This would contribute to closing the economic gap between the EU and the Western Balkan Six. There are strategies in place to help the Western Balkan Six such as the EU Western Balkans [Strategy](#) and Action Plan in Support of the transformation of the Western Balkans. Regional cooperation and mobility of researchers and capacity building in R&I are part of the process.

Modernising Western Balkan policies

The Western Balkans are a diversified and complex region where political and economic reforms make up a requisite to the EU accession process. Western Balkan policymakers consider R&I an important aspect to economic growth and competitiveness. As such, all economies in the region have proposed reforms to modernise their policies and structures to support research, technology and development.

The Western Balkan Six have seen much improvement in innovation performance in the past decade. The European Commission’s Joint Research Centre is supporting the shift in innovation policies and improving R&I efforts and governance in the Western Balkan economies by matching policy instruments with the specific needs of the economy. According to the EU [report](#) ‘Supporting an Innovation Agenda for the Western Balkans: Tools and Methodologies’, universities and research institutions play an important role in innovation systems. Their participation in interregional R&I partnerships and in a broader EU framework gives a good indication of their activity and capacity.

Public Procurement – another important factor linked to EU integration

Procurement is vital to well-functioning markets and sustainable economies. Public procurement, as defined by the [EU](#), is a process where public authorities (local authorities or government departments) purchase goods and services or works from companies. It links suppliers and buyers, people and processes, donors and recipient governments, and

private and public sectors. Increased professionalism, standards and accountability enhance the legitimacy of the market and political system and help overcome market distortions in procurement.

In its [Communication](#) 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans,' the European Commission explains that countries must establish a strong framework to prevent corruption. Transparency is needed when managing public funds especially at all stages in public procurement, an area particularly prone to corruption. Western Balkan countries need to increase transparency, competitiveness and fairness of public procurement tenders and limit the use of confidential procedures. They should adopt safeguards that exclude political influence on bidders. The report recommends rolling out transparent, publicly accessible e-procurement. This allows citizens to see how their taxes are used. Accountability and transparency are crucial to this process. The report concludes that for these efforts to be efficient, a firm political commitment is needed to fight corruption.

In addition to improving public procurement, there should be a focus on innovation procurement. Steps in this direction will lead to modernising the current system, stimulate the economy and generate more efficiency in public procurement process.

A closer look at innovation procurement

Public procurement rules have evolved. The focus is not only on what to buy, but whether it brings best added value in terms of quality, cost-efficiency and environmental and social impact. This is where innovation procurement comes in. It addresses all these concerns and paves the way to higher quality and more efficient solutions, addressing environmental and social benefits, better cost-effectiveness, and new business opportunities for enterprises. The main aspects of innovation procurement (why it is important, how it can be done and who has interest in it) are presented in the European Commission's [Guidance on Innovation Procurement](#). As a source of inspiration, this document clarifies the innovation procurement concept, outlines the policy framework and explains how start-ups and innovative small and medium-sized enterprises (SMEs) can open the doors of public procurement. It also describes how to put public procurement procedures at work to modernise public services with innovative solutions and to create growth and jobs.

Useful Resources:

Innovation Procurement

<https://ec.europa.eu/digital-single-market/en/innovation-procurement>

Guidance on Innovation Procurement

<https://ec.europa.eu/transparency/regdoc/rep/3/2018/EN/C-2018-3051-F1-EN-MAIN-PART-1.PDF>

Innovation Procurement, The power of the public purse, EU-funded projects in the ICT domain

<https://ec.europa.eu/digital-single-market/en/news/innovation-procurement-power-public-purse>

Innovation Procurement Platform online networking forum for procurers about innovation procurement

<https://innovation-procurement.org/>

e-procurement

<https://ec.europa.eu/digital-single-market/en/news/eprocurement-video> (explanatory video)

Pre-Commercial Procurement

<https://ec.europa.eu/digital-single-market/en/pre-commercial-procurement> with [examples](#)

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