



AGÊNCIA NACIONAL  
DE INOVAÇÃO

# MLE ON INNOVATION PROCUREMENT

State of play on financial mechanisms and  
incentives - Portugal

Madrid - 28-29 November 2017

- 1. PPI/PCP: Policy framework and regulatory context**
- 2. Financing instruments available for PCP and PPI**
- 3. Situation of supported procurement operations**
- 4. Tax incentives for R&D – a proposal for positive discrimination**

## 1. Policy framework and regulatory context

**Instrument 1. Public Procurement Code (2017)**

**Instrument 2. National Strategy for Green Public Procurement (2016)**

**Instrument 3. The Institute of Public Markets, Real Estate and Construction (IMPIC), as the regulator entity, supervise and monitor public procurement.**

**Instrument 4. ESPAP, as the government shared services entity, negotiate and make available to public purchasing entities centralized framework agreements for goods and services.**

# 1. Policy framework and regulatory context: PPI/PCP

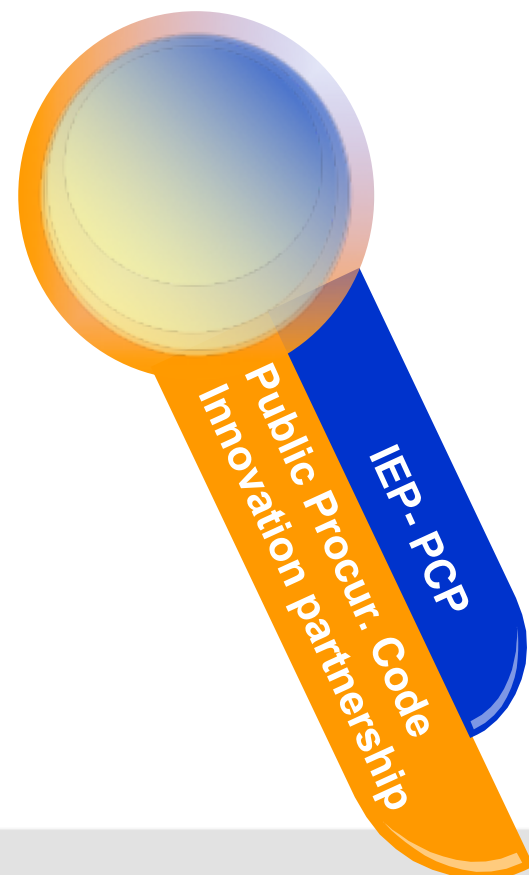
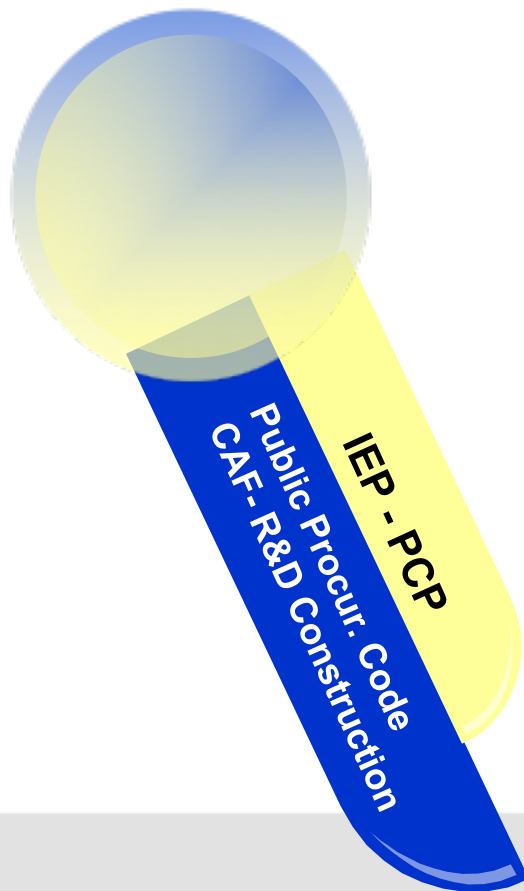
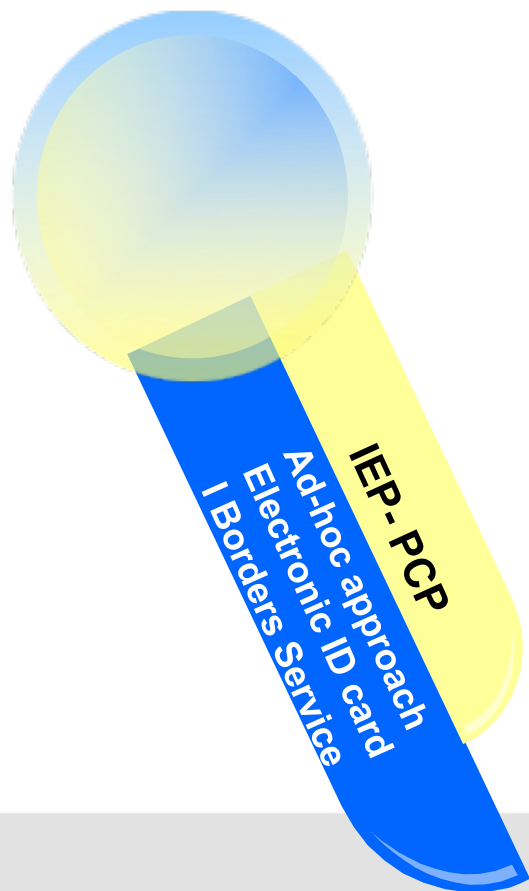
2002



2008



**2017**



## 1. Policy framework and regulatory context: PPI/PCP

- In 2008, the Public Procurement Code created a commission to monitor and supervise research and development projects (CAF), among other competences, to support contracting authorities. The elements that compose the CAF were defined by joint order of the Ministers of Science, Technology and Higher Education and Public Works, Transport and Communications. CAF was extinguished in 2017.
- At present there is no formal political mandate for the establishment of PCP/PPI demand or supply side financial support.

## 2. Financing instruments available for PPI and PCP

	Direct		Indirect	
	demand	supply	demand	supply
1. H2020	😊	😊		
2. ESIF (co-financed)		😊		
3. R&D tax credits		😊		
4. Innovation vouchers				😊

**Synchronize funding is  
a challenge!**

### 3. Situation of supported procurement operations

Since January 2017 – PCP supported by H2020 CSA Grant

- **Directorate General for Maritime Policy (DGPM)**

**Pre-Commercial Procurement procedure for Earth Observation services**

Since April 2017 - National framework of the “Green Growth Commitment”

- **Exploitation of the “innovation partnership” procedure within the construction sector context**

## 4. Tax incentives for R&D – a proposal for positive discrimination



### Tax Incentives System in Research and Business Development

#### Target

Companies investing in R&D between 2013 and 2020.

The following R&D-related expenses can be eligible:

- Research expenses: acquisition of new scientific or technical knowledge;
- Development expenses: exploitation of research results

#### Incentive

Deduction on corporate income tax:

- Base rate: 32.5%;
- Incremental rate: 50% of the increase in expenses incurred during that period compared to the average from the previous two fiscal years, capped at € 1,500,000 (for newly established companies, the incremental rate will not apply; in case of newly established SMEs: base rate + 15 pp).
- Applications must be submitted until the end of July, each year.

#### Entity in Charge

Agência Nacional de Inovação (Ministry of Science Technology and Higher Education + Ministry of Economy). Apply at: [www.sifide.adi.pt](http://www.sifide.adi.pt)



## 4. Tax incentives for R&D – a proposal for positive discrimination

SIFIDE has an **ex-post** control process (claim assessment after the investment):

*phase I* - Applications compliance analysis;

*phase II* - Analysis of projects with emphasis on evaluation of the activities alleged as R&D by the corporate income taxpayers, by experts (internal and external);

*phase III* -“R&D certification”, by a Certification Commission (CC).

### **Policy mix proposal** : Innovation + Procurement

- R&D tax credit : Bonus of 10-20% on R&D expenses driven from innovation procurement



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Thank you!

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# MLE - Innovation Enhancing Public Procurement

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