



## INNO-UTILITIES

### Innovation-Friendly Public Procurement & Fight Against Telecommunications Fraud and Security Threats

Essential resources that are taken for granted in 21st-century Europe are provided by utilities, such as telecommunications, electricity, water and gas. In order to provide these life-goods continuously, utilities must innovate steadily. However utilities must follow strict procurement procedures that have their origin in public procurement provisions and are hindering innovation. At the same time new procurement models, for example electronic procurement and electronic auctions, are introducing a further complexity parameter into the already complex procurement environment.

Utilities must innovate to meet the demand for better services. In addition, it has become increasingly important to protect infrastructures from malign attacks. Such attacks have grown more frequent, due to the omnipresence of information technology. The project is focused on telecommunications utilities, which are on the forefront of the following challenges:

- How to protect utilities from modern technology attacks against their infrastructure.
- How to make public procurement procedures more innovation friendly

However, other utilities will benefit from the project results as well.

#### Objectives

*Deploy a network-centric secure information server against telecommunications fraud and security threats*

INNO-UTILITIES is designing and implementing a network-centric secure information server, based on a simple model. Within this model, the procurement services support an entity purchasing quality goods and services. They assist the entity in exercising proper financial stewardship for payments and in providing responsive service to all departments. The project focuses on the security measures and procedures which should be applied to guarantee the security of selected applications and the information repository.

The prototype will be an integrated network-centric information system for fraud-fight in the field of telecommunication, while it will be able to be easily transferred to other utility fields. It will provide secure and timely dissemination of fraud and security threats information to eligible personnel in telecommunications companies. The design uses as necessary background knowledge, the main types of vulnerabilities and attacks that can cause damage on e-procurement services.

*Develop "innovative public procurement" as an innovation policy instrument*

INNO-UTILITIES is also developing policy recommendations for the creation of an innovation-friendly public procurement framework in Europe.

This objective will be realised by conducting a study of the procurement frameworks and procedures that are used by telecommunications operators in order to carry out innovative projects. The findings of this investigation will provide a basis for developing recommendations on how other public utilities can make their procurement procedures more "innovation friendly" – i.e., conducive to innovation. The study will also generate suggestions concerning adaptations of the overall public procurement procedures for the public sector in general.

#### Research questions:

1. Can public procurement be used in order to boost innovation?
2. What lessons can be learned from the procurement framework of telecom operators that excel in innovation?
3. What adaptations are necessary to the "bulk" of the public procurement framework?
4. How can public procurement be transformed into an active innovation policy instrument?

## Products and Results

INNO-UTILITIES is building a secure, high-performance, state-of-the-art system for rapid propagation of information on incidents of fraud in procurement and related threats to telecommunications security.

Assessment of the system's technical architecture requirements	July 2004
Delivery of the functional prototype	April 2005
Delivery of survivable version of the prototype	October 2005

INNO-UTILITIES is investigating the innovation-friendly public procurement techniques and developing recommendations on how other utilities can best benefit from the telecom operators' experience.

Analysis of the procurement models used by telecommunications operators	February 2005
Adaptation of the overall public procurement procedures	May 2005
Formulation of policy recommendations for innovation-friendly procurement	October 2005

## Exploitation

*INNO-UTILITIES is in negotiations with EFTA and FIINA, to deliver a trial platform for the secure exchange of telecom fraud and security threats information amongst their members*

The prototype is of high interest to the National Fraud Fora in many European countries, such as the Hellenic Telecom Fraud Forum (EFTA) in Greece as well as the Forum for International Irregular Network Access (FIINA).

The research provides new insights into the innovation process by investigating the role of public procurement and its function as an innovation policy instrument. This crucial aspect has not been examined in such depth up to now. INNO-UTILITIES is conducting an extensive examination of successful procurement models. It has been enabled to do so by the participation of major European telecom operators, most of whom are at the forefront of technological innovation.

### Project partners:

Eurescom GmbH  
VIRTUAL TRIP Ltd.  
Portugal Telecom  
INA S.A.  
University of Lund  
University of Patras

### Contact

For more information please contact:

**E-Mail:** [info@inno-utilities.org](mailto:info@inno-utilities.org)

**URL:** [www.inno-utilities.org](http://www.inno-utilities.org)

Co-funded by the European Commission under grant contract number IPS-2001-42014



Project manager:  
Mr. Anastasius Gavras, [gavras@eurescom.de](mailto:gavras@eurescom.de)  
Tel: +49 6221 989 232, Fax: +49 6221 989 209