

Experimentation spaces

Unlocking Innovation in Procurement

May 21st 2025

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Innovation vs. Regulation, a challenge to be solved

A key question...

What risks do innovators face when launching disruptive products and services?

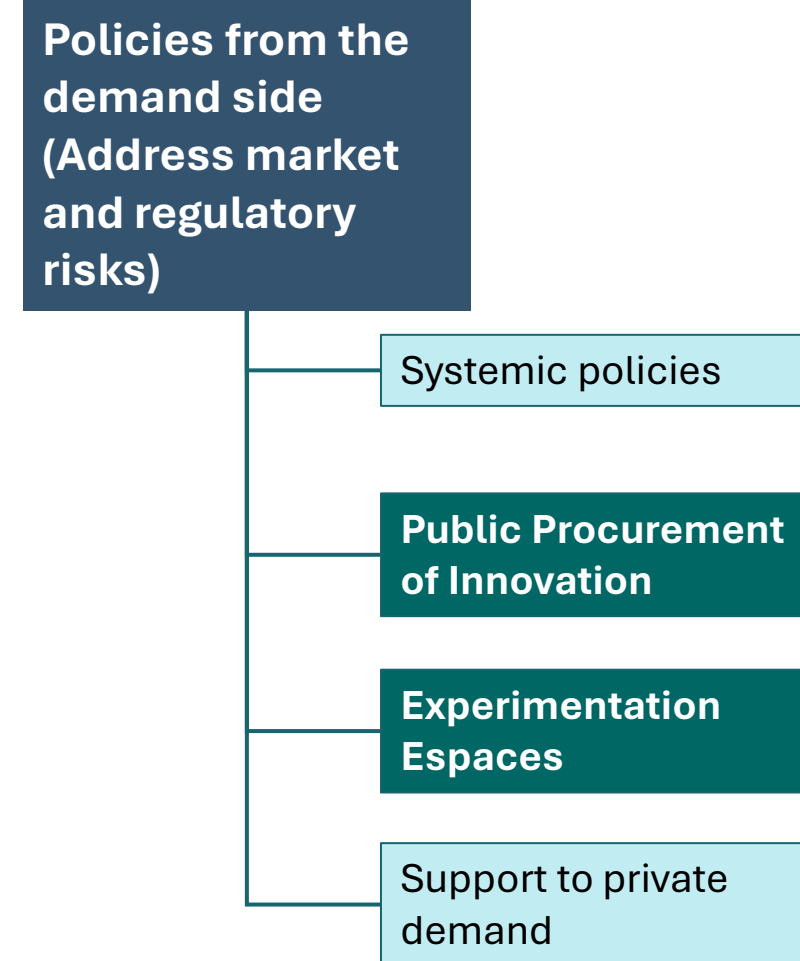
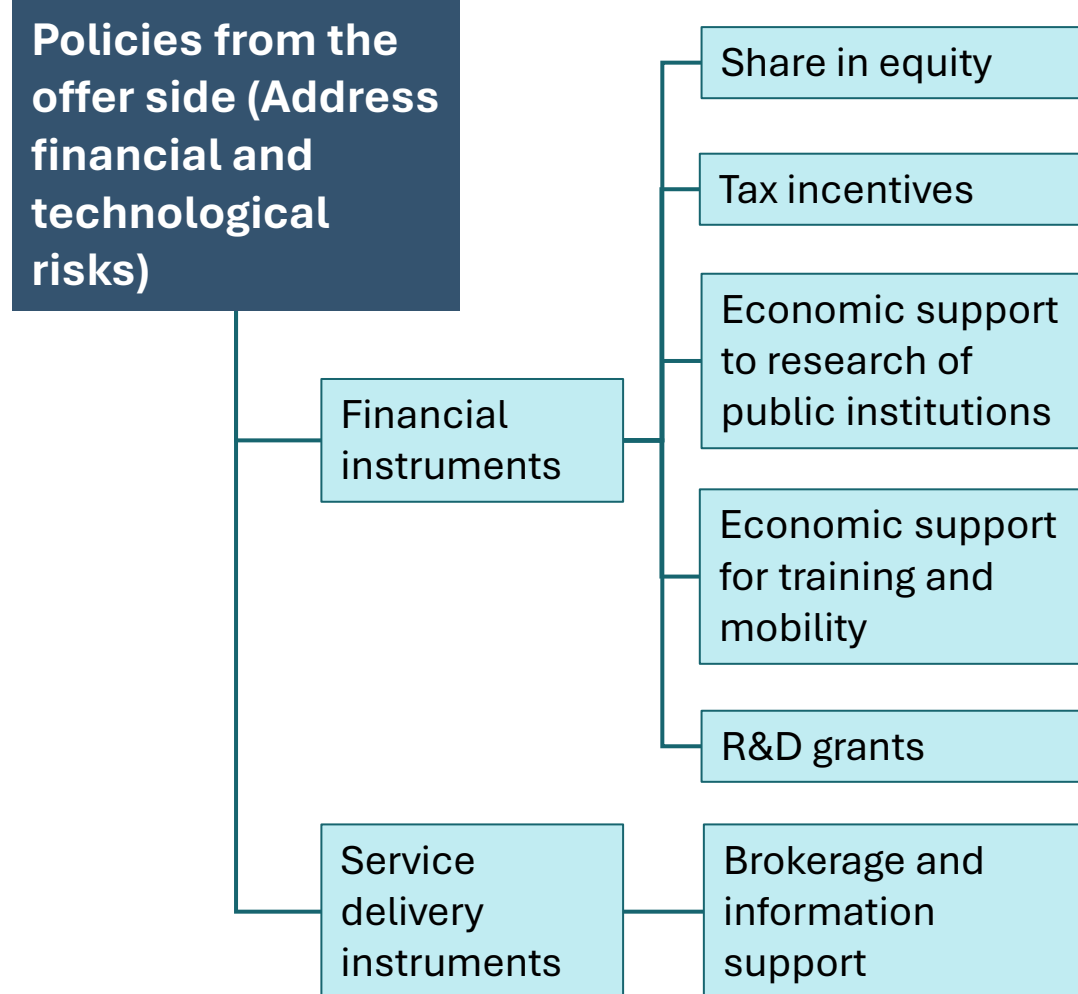
**Technological
risk**

**Financial
risk**

**Market
acceptance risk**

**Regulatory
risk**

...with multiple answers from public sector



J. Edler, L. Georghiou (2007). Research Policy 36 949-963

The challenge

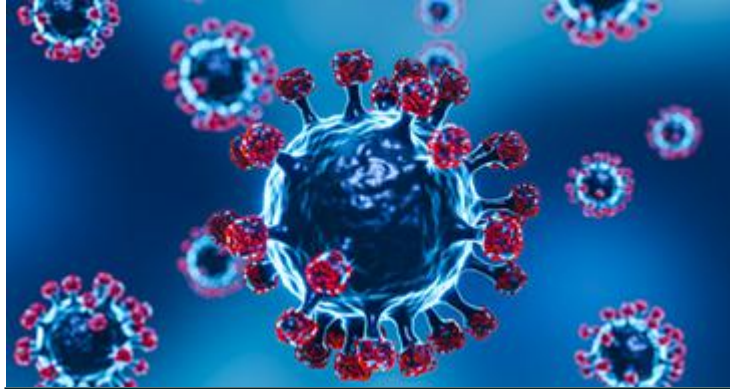
Traditional regulatory models are restrictive, slow and inadequate for the rapid technological evolution, which requires more agile approaches that facilitate and promote innovation.

Experimentation spaces, especially regulatory sandboxes, **allow the development of innovative activity in controlled environments thanks to regulatory exemptions.** The first initiatives have traditionally been developed in heavily regulated activities such as financial and energy sectors;

However, the benefits of these instruments in terms of regulatory anticipation and adaptation of regulation to the requirements of innovation and the application of emerging technologies can be extended to any activity subject to regulation like healthcare.

Experimentation spaces are complementary instruments to public procurement of innovation, making it possible to align this innovation with the applicable regulatory frameworks.

Two examples to understand this concept



How was it possible to accelerate vaccine availability during the COVID-19 pandemic?

Standard vaccine development normally takes 4 to 7 years.

Covid-19 vaccines were developed in less than a year, as European Commission temporarily waived several regulations:

- European Commission allowed the **overlapping of research phases in animal and human experimentation**, given the experience previously accumulated.
- EMA **allow first doses of vaccines to be labeled only in English** instead of each official language of EU countries

Source: [AEMPS](#)



UK government funds £1.6 million 'sandbox' to fast-track cultivated meat approvals

October 7, 2024



Cultivated meat products, including cultured beef, chicken, and seafood, have garnered significant interest for their potential to provide sustainable protein alternatives that circumvent some of the environmental and ethical concerns associated with traditional livestock farming.

However, **such products currently face stringent regulatory hurdles that can delay their market entry**. In the UK, cultivated meat must undergo rigorous risk assessments before being approved for sale, a process that currently takes an average of 2.5 years – significantly longer than the statutory aim of 17 months.

Fuente: [Protein Production Magazine](#)

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Experimentation spaces in innovation public policies

Experimentation spaces in the EU key innovation policies...

The reference documents that are guiding innovation policy in the EU highlight the complementarity of public procurement of innovation and experimentation spaces as key instruments to accelerate the launch of disruptive innovations in the market.



The EC's New European Innovation Agenda sets out five priorities to make Europe relevant in Deep Tech, including Flagship 2: **Fostering innovation through experimentation spaces and PPI.**



2024

- The Letta report proposes “expanding the use of regulatory sandboxes” to allow knowledge to flow more freely, as well as the “systematic use of flexibility instruments”, including experimental clauses, regulatory sandboxes and enhanced cooperation mechanisms provided for in the Treaties.
- The Draghi report identifies regulatory test environments as a key element for encouraging experimentation and bringing innovative products and services to market more quickly in areas such as energy, artificial intelligence, green technologies and drug development.

... with explicit support for its financing

STATE AIDS

EN

Official Journal of the European Union

II

(Non-Legislative acts)

REGULATIONS

COMMISSION REGULATION (EU) 2023/1315

of 23 June 2023

amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty

(Text with EEA relevance)

In 2023, the Commission amended the General Block Exemption Regulation to determine that **public aid for the creation of testing and experimentation infrastructures is compatible with the EU internal market** (new point 98a of the GBER).

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Stimulating Experimentation Practices

HORIZON-EIE-2023-CONNECT-02-01

Topic Call for proposal

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Horizon Europe (HORIZON)

Interconnected Innovation Ecosystems (2023.2) (HORIZON-EIE-2023-CONNECT-02)

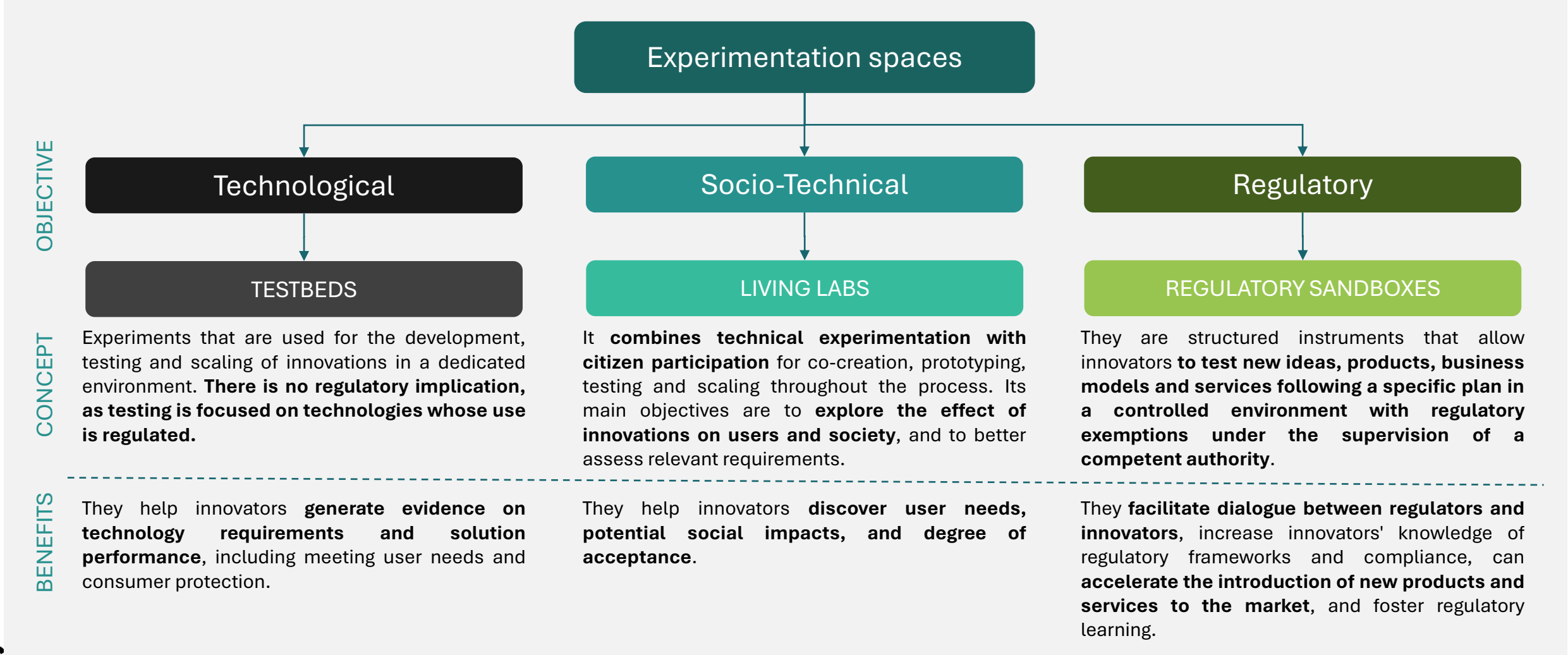
The European Commission, through the Horizon Europe program, **has financed several pilot projects of experimentation spaces to increase knowledge at European level** about these instruments, thus favoring greater dissemination and deployment in the different Member States.

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Types of experimentation spaces

Different types of experimentation spaces according to the European Commission

The European Commission published, in July 2023, a Staff Working Document with a [Guide on Regulatory Sandboxes, Testbeds, and Living Labs in the EU](#) to clarify their applicability and support regulators and innovation bodies in their experimentation approaches.



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Examples of experimentation spaces

Examples of experimentation spaces

Sandbox transversal to several technological disciplines (Portugal)



Sandbox on urban air mobility (UK)



Sandbox on AI-powered medical devices (UK)



Fintech sandbox (Spain)



Healthcare Living labs



Urban Living labs (Cornellà)



Gastronomy Living lab (Donostia)



Energy Living lab (Switzerland)



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Key elements for the design of experimentation spaces

Key elements for the design of experimentation spaces



Experimentation space's objectives

It is necessary to clearly define the objectives pursued by the creation of the experimentation space and the frame of reference in which it operates.



Regulatory dimension

Identification and analysis of the regulations involved, potential exemptions and role of regulatory and/or supervisory authorities.



Access and exit model

To design the essential elements of the calls (periodicity, participant requirements, selection criteria) and exit conditions.



Governance and management model

To define the role of each agent and the structures necessary for its operation.

Key elements for the design of experimentation spaces



Incentives for participation

Type and duration of regulatory exemption, physical or intangible assets or financial support offered to innovators



Recruitment and dissemination

Design of a dissemination and communication plan for the experimentation space and actions for the recruitment of participants.



Safeguards and guarantees

Establish the necessary safeguards and guarantees to minimize risks to users and infrastructures



Involvement of the regulatory entity

Definition of the role of the regulatory entity in the experimentation area (promoter, supervisor, etc.).

Key elements for the design of experimentation spaces



Feedback

The experimentation space must have adequate instruments so that the learning obtained is fed back into the normative activity.



Integration with other public policies

The experimentation space must be aligned and coordinated with other public policies to promote innovation, especially with public procurement of innovation.



Impact assessment

It is necessary to monitor the outcome of the experimentation space, both from the point of view of the commercialization of the products and services tested, as well as the impact on the related regulation.

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SILO References

SILO References



- Development of an AI sandbox for the tourism sector in Tenerife.
- Promotion of collaboration between agents in the tourism sector and the technology sector to bring innovation to the market.



**Ajuntament
de Barcelona**

- Elaboration of the regulatory framework to create a controlled testing environment in the city of Barcelona.
- Drafting the regulatory impact analysis report and ordinance regulating the controlled testing environment.



- Definition of a controlled testing environment (sandbox) on the integrated water cycle.
- Internal and external diagnosis of the organization for the creation of the sandbox.
- Design of the sandbox model.
- Launching and communication.



- Design and implementation of a foodtech sandbox.
- Definition of the conceptual model and procedures.
- Support in the sandbox operation.



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