



**UNITED NATIONS SPECIAL PROGRAMME FOR THE ECONOMIES  
OF CENTRAL ASIA (SPECA)**

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**SPECA INNOVATION STRATEGY FOR  
SUSTAINABLE DEVELOPMENT**

**(prepared by the UNECE secretariat in cooperation  
with the SPECA participating countries)**

## **Background**

The 2017 SPECA Economic Forum “Innovation for the Sustainable Development Goals in the SPECA region” (Dushanbe, 5 December 2017) reviewed the role of innovation as a vehicle for pursuing the Sustainable Development Goals (SDGs) in the SPECA countries and discussed a possible policy agenda to this effect. The Conclusions and Recommendations of the Forum outlined a broad framework for promoting innovation policies for sustainable development in the region. The 12<sup>th</sup> session of the SPECA Governing Council (Dushanbe, 6 December 2017) endorsed the outcomes of the Forum and underscored the importance of elaborating an innovation strategy for the SPECA region to support the governments’ efforts towards the SDGs.

A draft outline of the SPECA Innovation Strategy for Sustainable Development was discussed at the Regional Workshop on “Innovation Strategy, Technology Applications and Infrastructure for the SDGs” in conjunction with the 10<sup>th</sup> session of the SPECA Working Group on Knowledge-based Development (WG on KBD) held in Baku on 5 July 2018. The 13<sup>th</sup> session of the SPECA Governing Council (Almaty, 21 September 2018) welcomed the work done so far and endorsed a Roadmap for Elaborating the SPECA Innovation Strategy for Sustainable Development. In accordance with this Roadmap, the SPECA Regional Workshop on Innovation and Technology Applications for Sustainable Development held in conjunction with the 11<sup>th</sup> session of the SPECA WG on KBD (Bishkek, 26-27 June 2019) discussed supplements to the draft as well as proposals for concrete activities to be considered for incorporation in the Strategy and suggested that the draft Strategy be submitted for consideration and adoption at the 2019 session of SPECA Governing Council.

## **Rationale**

Achieving the SDGs is a challenging task to which the United Nations member States, including the SPECA countries, have committed themselves. To achieve these goals, governments and societies need to mobilize adequate resources and capabilities and engage all relevant stakeholders. Innovation can and should be a key driver for implementing this ambitious agenda as it can contribute to both technological progress and rising prosperity. Given the broad set of intertwined sustainable development goals and targets, their pursuit requires novel approaches and solutions and the formation of the innovation capabilities needed to address these challenges. Innovation covers not only technological changes, but also changes in organizational, labour and social practices and, as such, it has a strong potential impact on the switch to sustainable development in the SPECA region.

The SPECA countries aspire not only to meet the expectations of their societies in ensuring sustainable development in the region but also to be at the forefront of the global effort in the pursuit of the SDGs. Given the transboundary nature of many regional sustainable development challenges, such as those related to water, energy, environment and transport, the SPECA countries will aim to join forces in the pursuit of cooperative innovative solutions to such challenges to the mutual benefit of all countries in the region.

Innovation can be a powerful engine for economic development in general and can serve as an engine for structural transformation and diversification of the economies of the SPECA countries. It can also help them to accelerate their regional integration and their integration into the world economy. For this purpose the SPECA countries need to create and strengthen linkages at all levels: within each individual economy; with neighbouring countries and linkages to global value chains. They also need to build a tangible critical mass of productive capabilities and related institutions and infrastructure.

The ambition of the SPECA countries is to develop and consolidate the national capacity and capabilities to design and implement innovation policies for sustainable development taking into account not only the national context and existing constraints but also recognizing their possible transboundary effects. The SPECA countries will aim to work together to strengthen the institutional framework for regional cooperation in implementing innovation policies for sustainable development with possible

cross-border effects. Such capabilities will allow the SPECA countries to promote innovation for sustainable development both within and across national borders in the region and achieve regional synergies.

Acknowledging the scope and scale of the problem, the Governments of the SPECA countries agree to join forces in their efforts to consolidate the national capabilities for developing innovation policies for sustainable development and strengthen regional cooperation in promoting innovation that addresses common sustainable development challenges. The SPECA is a practical and effective platform for such regional cooperation.

The Innovation Strategy for Sustainable Development is a policy document of the SPECA countries, jointly agreed by their Governments, to guide their cooperative efforts towards the accomplishment of the above mission. It targets objectives and activities of common interest and will be implemented with the joint efforts of the SPECA countries. UNECE and ESCAP, the two UN Regional commissions that jointly support SPECA, will also support the implementation of the SPECA Innovation Strategy for Sustainable Development. The SPECA Working Group on Knowledge-based Development can provide a platform for regular intergovernmental and expert consultations on the implementation of the Strategy.

## **Objectives**

The overall objective of the SPECA Innovation Strategy for Sustainable Development is to achieve a sustained improvement in the national capacity and capabilities of the SPECA countries to formulate and implement innovation policies for sustainable development and to raise the level and quality of regional cooperation in the implementation of innovations that target and support sustainable development.

This would be achieved by following a set of specific objectives as follows:

1. Upgrade the knowledge and skills base of key stakeholders in the SPECA countries to match the challenges of addressing SDGs with innovative solutions;
2. Facilitate the diffusion of innovations and the transfer of technologies addressing sustainable development challenges in the region;
3. Enhance the institutional framework for regional cooperation for implementing innovation addressing sustainable development challenges of common interest; and
4. Contribute to improved performance of the SPECA countries in the degree of SDG achievement.

To achieve these objectives the SPECA countries will be applying the following key cooperation mechanisms:

1. Strengthening the regional policy dialogue and the sharing of good policies and practices, including the attraction of leading international expertise in innovation for sustainable development;
2. Working together in identifying regional and transboundary sustainable development challenges of high priority and common interest that call for innovative solutions;
3. Raising awareness in the SPECA countries on the role of innovation in the efforts to achieve the SDGs; and
4. Strengthening cooperation with existing platforms and mechanisms for international collaboration in promoting innovation for sustainable development within the United Nations family of organizations.

## Activities

To address these objectives, SPECA countries will consider a set of wide-ranging, collaborative activities, including:

### ***Objective 1. Upgrade the knowledge base and practical skills of innovation stakeholders in the SPECA countries to match the challenges of addressing SDGs with innovative solutions***

1.1 Undertake national and/or regional knowledge sharing and capacity-building seminars, with the participation of leading international experts, on innovation policies for sustainable development for key policymakers and stakeholders in the SPECA countries.

1.2 Conduct national and/or regional hands-on skill-building workshops, with the participation of leading international experts, for innovation practitioners and stakeholders on key issues related to the implementation of innovation policies for sustainable development (such as early stage financing of innovative startups and SMEs).

1.3 Organize study tours and exchanges for policymakers and key stakeholders to share best practices on how to set up effective policies and institutions to promote innovation-driven sustainable growth.

1.4 Conduct technical assistance missions by leading international experts to help policymakers and stakeholders in SPECA countries in addressing existing weaknesses in the national innovation systems.

1.5 Organise promotional campaigns for the broad public in each SPECA country to enhance the awareness on technology and innovation in society and the creation of a culture of innovation.

1.6 Conduct promotional operations for awareness raising among the broad public on the objectives and activities of the SPECA Innovation Strategy for Sustainable Development.

### ***Objective 2. Facilitate the diffusion of innovations and the transfer of technologies addressing sustainable development challenges in the region***

2.1 Strengthen efforts in undertaking regular national Innovation for Sustainable Development Reviews and learn from the each other's experience.

2.2 Agree on a set of coordinated policy measures supporting international linkages of SPECA countries with global technological value chains, including coordinated strategic approaches to FDI.

2.3 Consider establishing a joint regional technology transfer office to support the synergetic transfer of innovative technologies in the region (e.g. through cross-border technology brokerage and/or joint use of technology).

2.4 Promote wide /international multi-stakeholder collaboration as well as sharing and drawing on best practices of technology transfer, including with the UN Technology Facilitation Mechanism.

2.5 Identify possible joint innovation for sustainable development projects, where international cooperation can generate regional synergies and economies of scale, and approach international donor agencies regarding possible funding of prefeasibility and feasibility studies for pilot projects.

2.6 Consider establishing a joint Sustainable Development Innovation Fund for early stage support to innovative entrepreneurs in sustainable development undertakings in SPECA countries with the participation of SPECA countries and the international donor community.

***Objective 3. Enhance the institutional framework for regional cooperation for implementing innovation policies addressing sustainable development challenges of common interest***

3.1 Agree on a set of innovation policy issues of common interest of high priority to the SPECA countries and where international cooperation can generate regional synergies and economies of scale.

3.2 Establish a dedicated stakeholder network and mechanisms for regular consultations among SPECA countries on innovation policies of common interest, including regional seminars for sharing of good policies and practices and common lessons from the national Innovation for Sustainable Development Reviews.

3.3 Support the development a network of research institutions dealing with innovation in the areas of the SDGs.

3.4 Consider establishing a SPECA network of innovation support institutions (business incubators, technoparks, etc.) and strengthen cooperation with existing initiatives in this area.

3.5 Launch a joint regional online support service for innovative entrepreneurs, startups and SMEs (consulting, mentoring, match-making, etc.).

3.6 Set up a joint SPECA competition for innovation projects targeting sustainable development.

3.7 Consider establishing of SPECA Innovation Partnerships, drawing on the successful example of EU's European Innovation Partnerships, to bolster cooperative regional innovative solutions to sustainable development challenges.

3.8 Discuss possible joint measures to support the establishment of regional supply chains, which help share innovative technologies and organizational methods of production and trade, notably in innovative products.

***Objective 4. Contribute to improved performance of the SPECA countries in the degree of SDG achievement***

4.1 Identify through consultations sustainable development challenges that are of high priority to the SPECA countries and call for trans-border/regional cooperation and approaches.

4.2 Identify national and regional obstacles to cross-border cooperation in implementing innovation policies for sustainable development and agree on measures for eliminating or reducing these obstacles.

4.3 Report periodically on progress against relevant SDGs, targets and indicators, and share good practices in pursuing these goals.

4.4 Share experience and good practices in applying the methodology for subregional innovation policy outlook and using it to measure progress in upgrading national innovation policies.

4.5 Support cooperation with existing global initiatives such as the UN Technology Facilitation Mechanism, the UN Forum on Science, Technology and Innovation for the Sustainable Development Goals and the Inter-Agency Task Team for Science, Technology and Innovation for SDG.

4.6 Liaise with relevant international donors for mobilising additional expertise and resources in support of innovation for sustainable development undertakings.

## Timeline and resources

The SPECA Innovation Strategy for Sustainable Development has a tentative implementation horizon of some 5 to 7 years, subject to consultations among the governments of the SPECA countries which would also agree on its starting point. The starting implementation date may also depend on the available and accessible resources to be allocated for strategy implementation.

The SPECA Innovation Strategy for Sustainable Development is a framework for regional cooperation and international technical cooperation and assistance. Implementation will require the allocation of adequate resources by the SPECA countries as the owners of the Strategy for undertaking its activities, including the organization and hosting of events and support to networking among stakeholders. The main resource input expected from the SPECA countries will be human resources in terms of expertise and effort. Ideally, each country would nominate a core national team led by a National Focal Point who will be responsible for implementation.

Additional resources could be mobilized from international donors such as the World Bank, USAID, the EU (through its SWITCH-Asia initiative); the Eurasian Development Bank, the Agha Khan Development Network, ADB, CAREC and others. Some of these organizations and structures may also be invited to join and assist the implementation of the Strategy.

UNECE and ESCAP will consider their support to the Strategy within their available budgetary and extrabudgetary resources. UNECE and ESCAP may also approach other development partners for eventual support to activities envisaged within the Strategy. The implementation of the Strategy can also count on support from UNDP which has offices in all SPECA countries.

The implementation timing of different Strategy actions should be aligned with their internal logic. Thus it is reasonable to plan capacity development actions (such as knowledge sharing and skill building actions) in the early implementation phases so that the capabilities that would be developed through these actions would be applied in the subsequent actions. On the other hand, actions that require significant lead time in cross-country consultations and/or the possible allocation of funds (or their mobilization from donor support) would be envisaged for implementation in the later phases of the Strategy.

The Roadmap for elaborating the SPECA Innovation Strategy for Sustainable Development endorsed by the SPECA Governing Council envisages that the SPECA countries would develop and agree on an Action Plan for implementation of the SPECA Innovation Strategy for Sustainable Development.

The tentative implementation timeline and the possible international partners and donors for implementing the Strategy are presented in the Table below.

**Table. Tentative Strategy timeline and possible partners**

Objectives	Strategy actions	Timeline					Possible international partners & donors
		2020	2021	2022	2023	2024	
<b>1. Knowledge and skills</b>	1.1 Knowledge-sharing seminars	X	X	X			UNECE, ESCAP
	1.2 Skill-building workshops	X	X	X	X		UNECE, ESCAP
	1.3 Study tours	X	X				UNDP, EU, USAID
	1.4 Technical assistance missions		X	X			UNECE, ESCAP, UNDP
	1.5 Awareness raising – S&T and Innovation	X	X	X	X	X	UNDP
	1.6 Awareness raising - SPECA Innovation Strategy	X	X				UNDP
<b>2. Technology transfer</b>	2.1 Innovation for SD Reviews	X	X	X	X	X	UNECE
	2.2 SPECA international linkages			X	X	X	World Bank; USAID
	2.3 Joint SPECA/regional technology transfer office				X	X	World Bank, Eurasian DB
	2.4 Global collaboration on technology transfer		X	X	X		UNECE, ESCAP
	2.5 Joint innovation for SD projects		X	X	X	X	UNECE
	2.6 Joint SD Innovation Fund				X	X	World Bank, EU
<b>3. Regional cooperation</b>	3.1 Policy issues of common interest	X	X				UNECE
	3.2 Stakeholder consultations and networking	X	X	X	X	X	UNDP, USAID
	3.3 Network of research institutions		X	X	X	X	Aga Khan DN
	3.4 Network of innovation support institutions		X	X	X	X	UNECE, ESCAP, UNDP
	3.5 Regional online support service				X	X	ESCAP
	3.6 SPECA competition - innovation for SD projects		X	X	X	X	UNECE
	3.7 SPECA Innovation Partnerships			X	X	X	EU
	3.8 Support to regional supply chains			X	X	X	World Bank, USAID
<b>4. SDG performance</b>	4.1 Cooperation on common SD challenges	X	X	X			UNECE
	4.2 Eliminate obstacles to SPECA cooperation	X	X	X			
	4.3 Report progress on SDG achievement		X	X	X	X	UNECE
	4.4 Subregional innovation policy Outlook			X	X	X	UNECE
	4.5 Cooperation with UN global initiatives		X	X	X		UNECE, ESCAP
	4.6 Liaise with international donors		X	X	X		UNECE, ESCAP

## Governance

Oversight of progress in implementing the SPECA Innovation Strategy for Sustainable Development will rely on existing intergovernmental structures such as the SPECA Governing Council and the SPECA Thematic Working Groups (in the first place, the Working Group on Knowledge-based Development). There may be a need to update the terms of reference of the SPECA Working Group on Knowledge-based Development, subject to approval of the SPECA Governing Council.

Implementation at the national level would require the participation of different national bodies. In order to ensure their smooth and efficient participation it would be desirable for the Governments of the SPECA countries to appoint national Focal Points who would be in charge of implementation in the respective countries. Focal Points would be individuals delegated with the relevant mandate and responsibilities and would also be supported by national teams (or an institutional body) in performing their functions.

The national Focal Points in the SPECA countries would be expected to lead and coordinate the process of Strategy implementation at the national level. In view of this, they would liaise with relevant national stakeholders, consult them on the most appropriate ways and means of undertaking the individual Strategy activities and would initiate concrete national implementation actions as envisaged in the Strategy in consultation with UNECE and ESCAP. They would also promote national fundraising efforts needed for Strategy implementation and would also liaise with international donors for this purpose. In addition to that, in the process of Strategy implementation, the national Focal Points in different countries would coordinate among themselves the most efficient ways and means of implementing cooperation activities of cross-border nature.

To ensure effective governance, the Governments of the SPECA countries will organize monitoring on the basis of periodic Monitoring and Evaluation Reports which will be submitted to and reviewed by the SPECA Governing Council. In the first instance, these may be based on progress checks against the targets and indicators of SDG9 and other relevant SDGs, and may over time develop additional indicators based on an innovation policy outlook adapted to the region. The national Focal Points and their teams will be responsible for preparing the inputs for these reports which will be compiled with support from the SPECA Working Group on Knowledge-based Development and will take the form of national reviews of progress in implementing the SPECA Innovation Strategy. On the basis of the implementation outcomes reported in the periodic Monitoring and Evaluation Reports, the Governing Council may decide to introduce changes in the Strategy.