How UNECE contributes to the global effort to harness science, technology and innovation for promoting the post-2015 development agenda

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Albert Einstein once remarked that "When you keep doing what you have always done, you will keep getting what you always got."

The time we are living in at present is most certainly not a good time to "keep doing what we have always done" because the results we got recently – and this is true of almost all UNECE member States – have clearly not been good enough. Not good enough to meet the aspirations of our peoples for sustainable prosperity. We need to do better, and we can do better.

Our current economic problems of course have many dimensions, including macroeconomic management and financial regulation. But another important area where we clearly need and can do better is science, technology and innovation.

It is therefore very appropriate that these were identified as key instruments to advance the vision of economic growth contained in the Rio+20 outcome document, and that the 2013 Annual Ministerial Review of ECOSOC focuses on how to harness the power of science, technology and innovation and the potential of culture for promoting sustainable development and the achievement of the MDGs.

The financial crisis has had a negative impact on private research and development spending. At the same time, the difficult current financial context also puts additional constraints on the public sector. This calls for new policy responses. The scope of the necessary changes makes it impossible for either public or private actors to shoulder alone the associated burden of transformation and innovation. Rather, further advances require strong political commitment and the adoption of a strategic approach, including a close alignment between national and regional policies, and stronger partnerships between all relevant stakeholders in innovation. It will be imperative for governments to develop synergies and to mobilize private actors through support for fundamental research, for the diffusion of innovations, or through fiscal incentives adapted to new economic models.

ECOSOC's focus on innovation can help to make innovation a policy priority, at a time when the international community is shaping the post-2015 development agenda. As acknowledged in the outcome document of the Rio+20 Conference, "The Future We Want", technology transfer is key to enable developing countries to meet these challenges. Because Europe is a major source of technology, UNECE is uniquely placed to help transfer knowledge and experience to developing and transition economies.

At its 67th Annual Session in April 2013, the Economic Commission for Europe held a panel on these issues, with thought leaders from the business sector, the academic community and governments. Our panellists agreed that innovation for the purposes of creating a dynamic and competitive economy must be put to the service of green and inclusive growth.

The following summarises some important points that were made during the discussion.

Innovation should be conceived in broad terms, encompassing technological and non-technological aspects, business-model innovation, eco-innovation, demand- and user-driven innovation, innovation in services and design, and public-sector innovation. A narrow view of innovation that emphasizes high-technologies misses the opportunities present in other areas.

Innovation policy needs to be designed as an integrated, horizontal, strategic priority cutting across all relevant areas with leadership from the highest level. Innovation policy as developmental policy should be seen as a horizontal undertaking that leans on education and science policy but also on SME and industrial policy.
Policies should support both incremental innovation within existing technologies and disruptive innovation leading to systemic changes to the way we produce and consume.

A key example of the latter is greening the economy, which is a large-scale structural transformation that requires a regulatory and policy environment that encourages innovation in many sectors.

The concept of the "circular economy" was mentioned during the discussion, meaning new ways of consuming and producing, which reduce waste as much as possible through innovative product design, use of renewable materials and energy, replacing products with services, and recycling.

Creating an entrepreneurial culture, including through entrepreneurship education, and a tolerance for failure were highlighted as factors facilitating innovation in a broad variety of national settings. Several participants emphasized the importance of developing a conducive eco-system for supporting innovative SMEs and startups.

Successful innovation requires collaboration between the public and private sectors, and between academia and industry. The importance of bringing different innovation stakeholders together as a critical factor for successful policies was emphasized. Strong cooperation, both at national and regional levels, between decision makers, research institutions, the business sector and civil society at large is necessary.

Innovation requires also removing regulatory and financial barriers, by improving inter alia, access to financing for innovative companies. The role of government in financing innovation and the appropriate mechanisms for risk sharing between the public and the private sectors were discussed. Public support should be structured in a way that leaves investment decisions in the private sector and creates incentives for positive performance.

Public-private partnerships can facilitate the mobilization of financing to develop the infrastructure and public services required to support resource efficient, innovative and competitive economies. The collaboration between the public and the private sectors underpins most policy instruments aiming to promote innovation. UNECE's work in this area is of great value for the region and beyond.

Innovation acquires heightened importance in the face of the current economic and financial crisis as a way to improve productivity and competitiveness, and as a way to do more with less at a time of limited budgets. A good example are intelligent transport systems which increase the carrying capacity of existing transport infrastructures and therefore reduce the need for investment in expanding networks. UNECE is at the forefront of innovation in transport, where the global standards promulgated by UNECE contribute to smarter transportation networks, smarter traffic management, and thereby lower emissions, less congestion, and a more sustainable and competitive economy. Some old traditional sectors, like forestry, can also renew themselves through innovative solutions and lead the way towards the green economy.

In a globalized economy, innovative companies must compete internationally. This means that national innovation policies benefit from benchmarking against international good practice.

At the same time, some of the societal challenges which innovation can help to solve are global in nature; solutions will therefore benefit from international cooperation. The emergence of international standards underpinning new platform technologies would also be facilitated by international cooperation.

Knowledge sharing on innovation depends on the existence of appropriate monitoring and assessment mechanisms that can provide a good foundation for policy design. Existing studies – including the UNECE's own national Innovation Performance Reviews –show that there are vast differences in the capacity of countries to generate, absorb and disseminate innovation, thus creating a significant scope for policy learning.

The work of UNECE on promoting knowledge-based economic development, is based precisely on this: on organizing a process of trans-national learning and exchanges of experiences, on identifying and disseminating

international good practices, and then building national capacity and providing policy advice to governments on this basis. In addition, UNECE assists countries in producing tools for assessing their innovation performance.

During the panel discussion, several proposals to strengthen the role of UNECE on innovation were made, in particular regarding issues such as the creation of mechanisms to facilitate cross-border policy learning and the exchange of good practices on eco-innovation, the promotion of small and medium-sized enterprises and the linkages between standard- setting and innovation.

In conclusion, global, regional and sub-regional initiatives that acknowledge the contribution of science, technology and innovation to meet development goals are very important. Facilitating technology access, adaptation and diffusion and improving innovation capabilities should be integral components of the development agenda, which is better served by the existence of institutional mechanisms for knowledge-sharing. Working with other regional commissions and ECOSOC, UNECE is ready to join this global effort and share its policy experiences, platforms and tools to promote innovation as way to meet economic, environmental and social challenges.