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Committee on Innovation, Competitiveness and Public-Private Partnerships

Twelfth session

Geneva, 26-28 March 2018

Report of the Committee on Innovation, Competitiveness and Public-Private Partnerships on its twelfth session

I. Overview

1. The twelfth session of the United Nations Economic Commission for Europe (ECE) Committee on Innovation, Competitiveness and Public-Private Partnerships was held from 26 to 28 March 2018.
2. The Executive Secretary of the Economic Commission for Europe opened the session, noting the crucial importance of both innovation and public-private partnerships (PPPs) for achieving the Sustainable Development Goals (SDGs). The results of this session will help ECE develop standards and best practice guidelines in these areas, advising member States on necessary reforms and devising ways of monitoring and supporting progress towards the SDGs.

II. Attendance

3. A total of 168 delegates participated in the meeting. The session was attended by representatives from the following 23 ECE member States: Belarus, Belgium, Finland, France, Germany, Greece, Israel, Italy, Kazakhstan, Kyrgyzstan, Malta, Montenegro, Norway, Romania, Russian Federation, Spain, Switzerland, Tajikistan, Turkey, Ukraine, United Kingdom, United States and Uzbekistan.
4. Representatives of Burkina Faso, Cameroon, China, Congo, Egypt, Gambia, Lebanon, Mali, Morocco, Nigeria, Pakistan, Qatar, Singapore, Uganda participated under article 11 of the Commission's terms of reference.
5. The session was attended by representatives of the European Commission.
6. The following specialized agencies in the United Nations system were represented: the World Bank, the United Nations Development Programme, the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization, the World Intellectual Property Organization, the World Meteorological Organization.

7. Other organizations (local authorities, academic institutions, non-governmental organizations and private sector entities) participated at the invitation of the secretariat.

III. Adoption of the agenda (Agenda item 1)

Documentation:

Annotated provisional agenda (ECE/CECI/2018/1/rev.1).

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The Committee adopted the agenda for its twelfth session.

IV. Election of officers (Agenda item 2)

8. Sharon Kedmi (Israel) completed two consecutive terms of office as the Chairperson of the Committee. Maria Yamalchuk (Russian Federation) stepped down as Vice-Chairperson.¹

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The Committee elected Sedef Yavuz Noyan (Turkey) as Chairperson for a two-year term of office. It thanked the outgoing Chairperson, Sharon Kedmi (Israel), for his service. The Committee elected Shalom Tourgeman (Israel) and Nikita Ponomarenko (Russian Federation) as Vice-Chairpersons for two-year terms of office. It took note of the resignation of Maria Yarmalchuk (Russian Federation) and thanked her for her service.

V. High-level substantive segment on Innovative Partnerships for Sustainable Production and Consumption (Agenda item 3)

9. The Chairperson's summary of the discussions was presented under agenda item 5. The presentations made during the high-level substantive segment were made available on the ECE website.² The Committee thanked the speakers and participants for the productive exchange of experiences, and their contributions to the discussion on the role of innovative partnerships in sustainable consumption and production.

VI. Implementation of the programme of work (Agenda item 4)

A. Team of Specialists on Innovation and Competitiveness Policies (Agenda item 4(a))

Documentation:

Report of the Team of Specialists on Innovation and Competitiveness Policies on its tenth session (ECE/CECI/ICP/2017/2)

Towards a sub-regional Index on Innovation Policies (ECE/CECI/2018/INF.1)

¹ Having been elected for two-year terms in 2017, the following bureau members remain in office: Dmitry Poladenko (Belarus), Rafis Abasov (Kazakhstan), and Arthur Smith (United States).

² <http://www.unece.org/cicppp12.html#/>

Updating the methodology for national Innovation for Sustainable Development Reviews (ECE/CECI/2018/INF.2)

Recommendations adopted by the Governing Council of the United Nations Special Programme for the Economies of Central Asia on Innovation for Sustainable Development (ECE/CECI/2018/INF.3)

Towards the Circular Economy - Innovation Policies for Sustainable Production and Consumption (ECE/CECI/2018/3)

Policy recommendations from the Innovation for Sustainable Development Review of Kyrgyzstan (ECE/CECI/2018/INF.4)

10. The secretariat drew the attention of the Committee to the Report of the tenth session of the Team of Specialists on Innovation and Competitiveness Policies (ECE/CECI/ICP/2017/2) and the related policy document “Towards the Circular Economy - Innovation Policies for Sustainable Production and Consumption” (ECE/CECI/2018/3).

11. The secretariat emphasized the critical role which the 2030 Agenda for Sustainable Development assigns to innovation for achieving the SDGs, and the many ways in which the expertise and the activities of the Team of Specialists on Innovation and Competitiveness Policies can contribute to advancing the 2030 Agenda, including the development of good practices and policies on how innovation can be fostered in areas critical for sustainable development; the national Innovation for Sustainable Development Reviews, which analyse national policies in the light of international best practice and make recommendations for improvement; and the follow-up policy advisory and capacity-building activities that assist Governments, upon their request, with the implementation of selected policy recommendations.

12. The secretariat briefed the Committee on the activities of the Team of Specialists on Innovation and Competitiveness Policies since the last session, including the applied policy seminar and resulting policy document on the topic “Towards the Circular Economy – Innovation for Sustainable Consumption and Production” and the progress of the work on national Innovation for Sustainable Development Reviews.

13. The applied policy seminar on the topic “Towards the Circular Economy – Innovation for Sustainable Consumption and Production” held as part of the Team’s tenth session defined the main features of the circular economy and explored the role of innovation as a key driver of the circular transition. There are numerous examples of new technologies, processes, services and business models that are re-shaping product life cycles from design through production and usage to disposal and recycling as well as new forms of sustainable consumption, such as sharing platforms. The Team discussed the benefits of the circular economy and the remaining challenges in the transition from linear to circular consumption and production patterns. Fully realizing the potential of innovation in this area requires dedicated and sustained policy efforts to create enabling frameworks and incentives for private innovation efforts and encourage consumers to change consumption patterns. The Team discussed different forms of policy intervention including standards, labelling systems, procurement policy, regulatory innovation, platforms and technical and financial support to business.

14. A roundtable on the topic “Towards the Circular Economy – Innovation for Sustainable Value Chains” was organized jointly with the Steering Committee on Trade Capacity and Standards, the United Nations Centre for Trade Facilitation and Electronic Business, the Committee on Housing and Land Management and UNEP at the 2018 ECE Regional Forum on Sustainable Development.

15. The Innovation Performance Review of Belarus had been translated into Russian, and the Innovation for Sustainable Development Review of Kyrgyzstan was being edited for

publication, following an international peer review held in Bishkek in June 2017 and the discussion of findings and recommendations at the tenth session of the Team of Specialists.

16. UNECE and the State Committee on Science and Technology of Belarus had concluded a Memorandum of Understanding on the follow-up to the Review of Belarus.

17. The annual session of the Working Group on Knowledge-Based Development under the United Nations Special Programme for the Economies of Central Asia was organized jointly with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and hosted by the Government of Kyrgyzstan in Bishkek.

18. The 2017 Economic Forum of the Special Programme for the Economies of Central Asia was organized on “Innovation for Sustainable Development” jointly with several other ECE sectoral committees, and hosted by the Government of Tajikistan in Dushanbe. The Forum proposed, and the Governing Council of the Special Programme decided, that a Strategy on Innovation for Sustainable Development should be created.

19. The Governing Council also decided to call “upon ECE and ESCAP, other United Nations agencies and programmes, as well as the international development partners, to provide active support to the efforts by the participating countries in the Special Programme, undertaken at the national and regional levels, in promoting innovation for the achievement of the Sustainable Developments Goals.”

20. A seminar on “Reforming Innovation Infrastructure in Ukraine” was held in Kyiv in December 2017 jointly with the Ministry of Education and Science of Ukraine.

21. A methodological workshop “Towards a Sub-regional Innovation Policy Index” was organized in Kyiv in December with participants from Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine, and hosted by the National Academy of Sciences of Ukraine. The participants agreed that such an index would be a useful tool to further support the analysis of innovation policies and to identify areas for improvement. They expressed their interest to participate in a pilot index.

22. The Committee expressed its appreciation for the useful and concrete work of the Team of Specialists on Innovation and Competitiveness Policies, and thanked the experts and the donors for their in-kind and financial contributions.

23. The delegation of Belarus reported on progress made with innovation policy reform and on remaining reform priorities. It reaffirmed the commitment of the Government to transform Belarus into a knowledge-based economy. The delegation recommended the Innovation for Sustainable Development Review process as a good practice and emphasized that the Memorandum of Understanding signed with the ECE included a provision to share experiences with other countries.

24. The delegation of Ukraine reported that the Innovation Performance Review had been very useful for the country, and expressed its intention to continue to cooperate with the ECE on innovation policy reforms. It also reaffirmed its interest in contributing to the work on a pilot Innovation Policy Index.

Decision 2018 - 4a.1

The Committee expressed its satisfaction with the work of the Team of Specialists on Innovation and Competitiveness Policies as described in the report of its tenth session (ECE/CECI/ICP/2017/2) and welcomed the focus on the key role of innovation in achieving the 2030 Agenda for Sustainable Development, including the international conference “Towards the Circular Economy – Innovation for Sustainable Consumption and Production”, which was held as part of the Team’s session, and the good practices developed on this topic. The Committee requested the secretariat to electronically disseminate the corresponding applied policy document (ECE/CECI/2018/3), and to make use of its conclusions in future

capacity-building activities and policy advisory work. The Committee also welcomed the results of the roundtable “Towards the Circular Economy – Innovation for Sustainable Value Chains”, which was held as part of the 2018 ECE Regional Forum on Sustainable Development.

Decision 2018 - 4a.2

The Committee noted that ensuring sustainable consumption and production patterns is one of the SDGs being reviewed in 2018 at the global level and encouraged the secretariat to bring the results of the Committee’s work on innovation for sustainable consumption and production to the attention of the 2018 Multi-Stakeholder Forum on Science, Technology and Innovation for Sustainable Development.

Decision 2018 - 4a.3

The Committee welcomed the Memorandum of Understanding between the ECE secretariat and the State Committee on Science and Technology of the Republic of Belarus on joint activities to facilitate the implementation of the policy recommendations from the Innovation for Sustainable Development Review of Belarus.

Decision 2018 - 4a.4

The Committee welcomed the findings and policy recommendations from the Innovation for Sustainable Development Review of Kyrgyzstan and invited the Team of Specialists to work with the Government of Kyrgyzstan on facilitating the implementation of the policy recommendations, subject to the availability of extrabudgetary resources.

Decision 2018 - 4a.5

The Committee welcomed the conclusions and recommendations from the 2017 Economic Forum of the United Nations Special Programme for the Economies of Central Asia, which was on the topic “Innovation for Sustainable Development”. The Committee took note of the decision of the Governing Council of the Special Programme to call “upon ECE and ESCAP, other United Nations agencies and programmes, as well as the international development partners, to provide active support to the efforts by the countries participating in the Special Programme, undertaken at the national and regional levels, in promoting innovation for the achievement of the SDGs.” The Committee agreed to provide such support within its mandate and subject to availability of extrabudgetary resources and invited the Team of Specialists to make its expertise available for this purpose.

Decision 2018 - 4a.6

The Committee welcomed the decision of the Governing Council of the United Nations Special Programme for the Economies of Central Asia to elaborate an Innovation Strategy for the region of the Special Programme to achieve the SDGs and invited the Team of Specialists to contribute to this effort within its mandate and subject to the availability of extrabudgetary resources.

Decision 2018 - 4a.7

The Committee noted with appreciation the policy advisory and capacity-building work carried out by the Team of Specialists, including in conjunction with the Special Programme for the Economies of Central Asia.

Decision 2018 - 4a.8

The Committee requested that the secretariat follow up, subject to available extrabudgetary resources, on the interest expressed by the Governments of Belarus and Ukraine in policy advisory and capacity-building services, including to support the implementation of

recommendations from Innovation Performance Reviews and Innovation for Sustainable Development Reviews.

Decision 2018 - 4a.9

The Committee welcomed the results of the methodological workshop “Towards a Sub-regional Innovation Policy Index” held in Kyiv, Ukraine, in December 2017 and took note of the interest expressed at the event by Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine to participate in a pilot index. The Committee invited the Team of Specialists, subject to the availability of extrabudgetary resources, to further develop the methodology for the index and to initiate work on a pilot index.

Decision 2018 - 4a.10

The Committee welcomed the progress made in Belarus with innovation policy reform and encouraged the Governments of other member States which have undertaken ECE innovation reviews to provide the Committee with updates on progress with innovation policy reform as appropriate.

B. Working Party on Public-Private Partnerships (Agenda item 4(b))

Documentation:

Report of the Working Party on Public-Private Partnerships on its first session (ECE/CECI/WP/2017/2)

Standard on a Zero Tolerance approach to Corruption in PPP Procurement (ECE/CECI/WP/2017/4)

Guiding Principles in People-First PPPs for the Sustainable Development Goals (ECE/CECI/2018/INF.5)

Promoting People-First PPPs for the Belt and Road Initiative and the Sustainable Development Goals (ECE/CECI/2018/INF.6)

People-First PPP standards and recommendations under preparation (ECE/CECI/2018/INF.7)

25. The Chairperson drew the attention of the Committee to the Report of the Working Party on Public-Private Partnerships on its first session (ECE/CECI/WP/2017/2), the Standard on a Zero Tolerance Approach to Corruption in PPP Procurement (ECE/CECI/WP/2017/4), the Guiding Principles in People-First PPPs for the Sustainable Development Goals (ECE/CECI/2018/INF.5), the capacity building programme for ECE member States participating in the Belt and Road initiative “Promoting People-First PPPs for the Belt and Road Initiative and the Sustainable Development Goals” (ECE/CECI/2018/INF.6), and the list of People-First PPP standards and recommendations under preparation (ECE/CECI/2018/INF.7).

26. The secretariat informed the Committee that the emphasis of the ECE’s PPP work continued to be on adopting a new approach to PPPs to make them fit for purpose for the SDGs. “People-first PPPs” is the phrase used in remodelling the PPP concept from a purely “value for money” tool to one based upon effective and replicable projects that also support social and environmental benefits such as increased access to essential services, equity, resilience, a green sustainable economy, and poverty alleviation.

27. Since the eleventh session of the Committee, the ECE PPP intergovernmental structure has transitioned from a Team of Specialists to a Working Party, with the former body ceasing to exist on 20 November 2017. The secretariat remarked that this was a very

smooth transition, which saw the Bureau members of the Team of Specialists being elected to the Bureau of the Working Party, thus ensuring continuity.

28. The International PPP Centre of Excellence continued its work to elaborate international standards on people-first PPPs for the SDGs. The standard on a Zero Tolerance Approach to Corruption in PPP procurement (ECE/CECI/WP/2017/4) has been endorsed by the Working Party, and work on other standards in transport (airports, roads, rail and urban rail), water and sanitation, healthcare policy, model law and policy for PPP concessions, and renewable energy were at various stages of development (ECE/CECI/2018/INF.7).

29. The secretariat reiterated the importance of dissemination and promotion of the standard on a Zero Tolerance Approach to Corruption in PPP Procurement, and referred to the ongoing work on a draft voluntary declaration as a tool to facilitate implementation of the standard.

30. The secretariat briefed the Committee on the ongoing work on the guiding principles on people-first PPPs for the SDGs and on the people-first criteria. In the coming weeks, the revised version of the guiding principles would be shared with the other Regional Commissions, with the United Nations Department of Economic and Social Affairs, the United Nations Conference on Trade and Development (UNCTAD), the World Bank and other United Nations agencies in the Inter-agency Task Force on Financing for Development.

31. The secretariat continues expanding the compendium of case studies as part of a campaign to collect 500 case studies that demonstrate the ECE people-first PPP criteria and how these projects are meeting the SDGs. The next batch of the case studies would be presented at the third ECE International people-first PPP Forum in Geneva on 7-9 May 2018. The case studies will be scored against the people-first PPP criteria and the SDGs once the evaluation methodology is developed and funding for this activity has been raised.

32. The secretariat briefed the Committee on a voluntary declaration endorsed by the national PPP units present at the Working Party session in November 2017 in support of the SDGs. It also informed the Committee on an initiative on women's empowerment in PPPs to incentivise the private sector to involve more women-led companies in the supply of goods and services during the whole life cycle of PPP projects. Continued work on this initiative is subject to extrabudgetary resources.

33. The International Specialist Centres continued to play a crucial role in backstopping the work on PPP standards. Since the eleventh session of the Committee, a new International Specialist Centre of Excellence on PPPs in Resilience was set up in New Orleans, United States.

34. The secretariat briefed the Committee on the capacity building programme for ECE member States participating in the Belt and Road initiative. This was developed as a result of the Memorandum of Understanding signed between the ECE and China on 14 May 2017 to support ECE member States participating in the Belt and Road initiative with their PPP implementation. The focus of this cooperation is on the following three pillars:

- (a) A policy dialogue to improve cooperation among the participating countries;
- (b) A comprehensive national PPP capacity building programme; and
- (c) The identification of transformative projects that can be scaled up and replicated in other countries.

35. The secretariat also informed the Committee that several ECE member States have signalled their interest to participate in this programme at the first session of the Working Party in November 2017, namely: Belarus, Kyrgyzstan, the Russian Federation, Tajikistan, Ukraine and Uzbekistan. The implementation of this capacity building programme is subject

to extrabudgetary funding, and the secretariat has submitted a proposal for funding under the United Nations Peace and Development Fund.

36. During the reporting period, the following policy advisory missions and capacity-building activities were organized by the ECE International PPP Centre of Excellence:

(a) International PPP Forum “Implementing the United Nations 2030 Agenda for Sustainable Development through effective, people-first PPPs”, organized in collaboration with City University of Hong Kong (9-11 May 2017); and

(b) Regional PPP Workshops organised with the Government of Belarus, and the cities of Mogilev and Gomel (1-2 March 2018).

37. An informal PPP expert meeting took place in Geneva on 26 March 2018, back-to-back with the Committee session, to advance the work on a number of PPP activities, including the guiding principles on people-first PPPs for the SDGs, the capacity building programme for ECE member States participating in the Belt and Road initiative and the implementation of the Standard on a Zero Tolerance Approach to Corruption in PPP Procurement. Representatives from fourteen PPP units gave their own perspectives and made recommendations.

38. The delegation of the Russian Federation welcomed the Standard on a Zero Tolerance Approach to Corruption in PPP Procurement as a good basis for Governments to adopt measures against corruption in PPPs.

39. The delegation of Belarus thanked the Business Advisory Board and the secretariat for their support to capacity building events in the regions of the country, and requested the ECE to organize a national PPP event in Minsk in July 2018.

40. The delegation of Ukraine thanked the ECE for its ongoing support and invited the Committee members to participate in a conference on People First PPPs in June, jointly organised with the ECE.

41. The delegation of Uganda requested the ECE to organize a visit of the PPP Business Advisory Board to assist the Government with its PPP implementation. The delegations of Burkina Faso and Mali emphasised the importance of small-scale PPP projects that benefit women in particular.

42. Representatives from international PPP Specialist Centres of Excellence in Lebanon, Spain and the United States provided updates on their respective activities, including capacity building programmes.

43. The Committee expressed its appreciation for the useful and concrete work of the Working Party, and thanked the experts and the donors for their in-kind and financial contributions.

Decision 2018 - 4b.1

The Committee expressed its satisfaction with the continued focus of the work on people-first PPPs and noted with appreciation the increasing interest and participation by representatives from national PPP units and infrastructure agencies from all regions and by other important stakeholders. It also noted with appreciation the smooth transition of the PPP work from the Team of Specialists on Public-Private Partnerships to the Working Party on Public-Private Partnerships, while it took note of the report of the first session of the Working Party (ECE/CECI/WP/PPP/2017/2) held on 21-22 November 2017.

Decision 2018 - 4b.2

The Committee validated that all stages of the process for developing international PPP standards have been followed (ECE/CECI/2015/7, paragraph 12) in the case of the standard

on a Zero Tolerance Approach to Corruption in PPP Procurement endorsed by the Working Party on PPPs at its first session in November 2017 (ECE/CECI/WP/PPP/2017/4), and recommended its publication and voluntary implementation by member States. The Committee encouraged member States to inform the secretariat on progress with integrating the standard into national legislation and policies affecting procurement.

Decision 2018 - 4b.3

The Committee encouraged the Bureau of the Working Party and the secretariat to continue with their consultations with member States and other stakeholders on the draft declaration on a Zero Tolerance Approach to Corruption in People-first PPPs, and to finalize the declaration in the coming months for endorsement by the Working Party at its next session and adoption at the next session of the Committee.

Decision 2018 - 4b.4

The Committee took note of the status of the PPP standards and recommendations under preparation, especially the advanced versions of the standards on rail, renewable energy, roads, and water and sanitation, and called on the team leaders and the secretariat to work closely with the Bureau of the Working Party in order to finalise these documents and submit them as official documents at the second session of the Working Party in November 2018.

Decision 2018 – 4b.5

The Committee took note of the revised version of the guiding principles on people-first PPPs for the SDGs. It commended in particular their focus on the ECE's people-first PPP criteria capturing the essence of the SDGs, which identify people as the main users and beneficiaries of PPP projects. The Committee invited the secretariat to finalise the document in the coming months and submit it to the Working Party for endorsement at its next session and thereafter to the Committee for final consideration and adoption.

Decision 2018 – 4b.6

The Committee encouraged the secretariat to continue working closely with the United Nations Department of Economic and Social Affairs, the other Regional Commissions, UNCTAD, other United Nations agencies and the World Bank to make the guiding principles on people-first PPPs for the SDGs a joint contribution to the Inter-agency Task Force on Financing for Development in response to paragraph 48 of the Addis Ababa Action Agenda for adoption in the spirit of "Delivering as One".

Decision 2018 – 4b.7

The Committee took note of the Memorandum of Understanding signed between the ECE and China on 14 May 2017 to support ECE member States participating in the Belt and Road initiative with their PPP implementation. It noted the focus of this cooperation on three pillars, namely:

- (a) A policy dialogue to improve cooperation among the participating countries;
- (b) A comprehensive national PPP capacity building programme; and
- (c) The identification of transformative projects that can be scaled up and replicated in other countries.

It also took note of the efforts by the secretariat to raise extrabudgetary resources to implement the Memorandum of Understanding and provide policy advisory services and capacity building to ECE member States who have so far signalled their interest in receiving these services, namely: Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Ukraine and Uzbekistan.

Decision 2018 – 4b.8

The Committee took note of the PPP policy advisory and capacity-building work carried out since its last session. It requested that the secretariat follow up, subject to available extrabudgetary funding, on the interest expressed by the Governments of Belarus, Uganda (in cooperation with the Economic Commission for Africa), and Ukraine, in policy advisory and capacity-building services.

C. Joint Activities (Agenda item 4(c))

44. The secretariat briefed the Committee on joint work with other ECE committees, in particular:

(a) a discussion among the Chairpersons of several ECE sectoral committees at the 2017 session of the Committee on Environmental Policy on possible areas of mutual interest;

(b) the 2018 Regional Forum on Sustainable Development at the Geneva International Conference Centre on 1-2 March 2018, with a roundtable on “Towards a Circular Economy: Innovation for Sustainable Value Chains”, in cooperation with the Steering Committee on Trade Capacity and Standards, the United Nations Centre for Trade Facilitation and Electronic Business, the Committee on Housing and Land Management and UNEP.

(c) the 2017 Economic Forum of the United Nations Special Programme for the Economies of Central Asia on the topic of “Innovation for Sustainable Development”, in cooperation with the Committee on Environmental Policy, the Steering Committee on Trade Capacity and Standards, the United Nations Centre for Trade Facilitation and Electronic Business, the Inland Transport Committee and the Committee on Sustainable Energy;

(d) the Ideas4Change Startup Competition at the 2017 session of the Economic Commission for Europe, in cooperation with the MassChallenge Incubator and with support from the Government of Israel;

(e) the ongoing participation in the Inter-agency Taskforce on Financing for Development and the Inter-agency Task Team on Science, Technology and Innovation for Sustainable Development initiated in the Addis Ababa Action Agenda on Financing for Development.

45. The secretariat thanked the donors whose financial contributions greatly contributed to the Committee’s work, i.e. the Government of the Russian Federation, Tshingua University in China and City University of Hong Kong.

Decision 2018 - 4c.1

The Committee welcomed the expanding cooperation with other ECE committees and beyond in areas of common interest, and encouraged the secretariat to bring to the Committee’s attention any further opportunities for joint work. The Committee also welcomed the roundtable held at the 2017 session of the ECE Committee on Environmental Policy with representatives of other ECE Committees, including the Committee on Innovation, Competitiveness and PPPs, to exchange information about activities of mutual interest and to identify opportunities for cooperation.

Decision 2018 – 4c.2

The Committee thanked the donors whose financial contributions greatly contributed to the Committee’s work on developing good practices and standards, analyzing national policies, and providing policy advice and capacity building for the implementation of policy reforms, i.e. the Government of the Russian Federation, Tshingua University in China and City University of Hong Kong.

The Committee emphasized the importance of financial and in-kind contributions for the success of its capacity-building activities and policy advisory services as well as for extending their reach. It invited member States and other donors to continue to provide support to its activities.

VII. Main conclusions of the high-level substantive segment (Agenda item 5)

46. The Chairperson presented the summary of the discussion during the high-level substantive segment and opened the floor for a discussion of the summary with a view to identifying suggestions for follow-up activities.

Decision 2018 – 5.1

The Committee noted the main conclusions of the high-level segment, which are contained in the Chairperson's summary. It requested that the Chairperson's summary be annexed to the report of the twelfth session of the Committee.

Decision 2018 – 5.2

The Committee invited its Bureau and the secretariat to further explore specific ways in which the Committee might contribute to the promotion of innovative partnerships for sustainable consumption and production, in cooperation, as appropriate, with other ECE intergovernmental bodies.

VIII. Programme of Work (Agenda items 6(a) Intersessional Implementation Plan for 2018-2019 and 6(b) Strategic Orientation for 2020)

Documentation:

Proposals received for activities to be carried out in 2018-2019 (ECE/CECI/2018/INF.8)

Draft Strategic Framework 2020-2021 (ECE/CECI/2018/4)

47. The secretariat presented proposals received from member States for activities to be undertaken in 2018 and until the next session in 2019.

48. The delegation of the United States suggested that in future implementation plans, the secretariat should provide an indication of how different planned activities would be prioritized on substantive and strategic grounds.

49. Based on the above proposals and on comments made under this agenda item the intersessional implementation plan for 2018-2019 was proposed for adoption.

A. Intersessional Implementation Plan for 2018-2019

Decision 2018 - 6a

The Committee adopted the intersessional implementation plan for the activities to be undertaken in 2018 and until the next session in 2019, to be annexed to the report of the twelfth session of the Committee as Annex II.

B. Strategic Orientation for 2020

50. The secretariat explained that the United Nations at the global level were in the process of reforming the programme planning and budget procedures, to which the strategic frameworks of programmes and sub-programmes would be aligned. The United Nations were

expected to move from a biannual to an annual programming and budgeting cycle starting in 2020. The draft Strategic Framework for 2020-2021 would therefore not be adopted. Nonetheless the secretariat invited the Committee to reflect on the broad areas of work as contained in the draft Strategic Framework for 2020-2021 as a basis for the programme plan and budget for 2020. The secretariat would then draft the proposed programme plan and budget for 2020 in consultation with the Bureau, to be submitted to the General Assembly for adoption in 2019 through the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions.

Decision 2018 – 6b

The Committee endorsed the broad areas of work as contained in the draft Strategic Framework for 2020-2021. It requested the secretariat to incorporate them in consultation with the Bureau into the proposed programme plan and budget for 2020, which will be submitted to the General Assembly for adoption in 2019 through the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions.

IX. Areas of common interest with other Economic Commission for Europe bodies and international organisations (Agenda item 7)

51. The secretariat presented areas of common interest as well as ongoing and potential collaboration with other ECE bodies, including the Committee on Environmental Policy, the Committee on Housing and Land Management, and the Steering Committee on Trade Capacity and Standards, to exploit synergies in view of the cross-cutting nature of the Committee's areas of expertise.

52. There are also opportunities for cross-sectoral cooperation in the framework of the Special Programme for the Economies of Central Asia, jointly with the United Nations Economic and Social Commission for Asia and the Pacific.

53. The secretariat also highlighted the cooperation with other UN agencies in the Inter-agency Taskforce on Financing for Development, and the Inter-agency Task Team on Science, Technology and Innovation for Sustainable Development.

54. The delegation of Belarus briefed delegates on plans to open an International Innovation Centre in the Republic of Belarus. This Centre will focus on training of experts and officials from countries of the Commonwealth of Independent States (CIS) through the sharing of best practices. It will be cross-sectoral in nature, focusing on improving energy efficiency standards in buildings, among other areas. This would benefit from the complementary support and expertise of other ECE committees, and reflects the intrinsically cross-cutting nature of effective innovation policy.

55. The delegation of Kazakhstan requested the support of the Committee and ECE secretariat in applying best practices from other countries and circular economy principles to the decommissioning of oil wells. This is another area that would benefit from the support and expertise of other ECE Committees, and bilateral consultations will take place between the secretariat and delegation of Kazakhstan on how best to proceed.

56. The delegation of the Russian Federation indicated their support for the initiative of Belarus to create an International Innovation Centre, highlighting the need for such a platform for CIS countries, to improve qualifications and innovation management skills, and host international events. The delegation also expressed their appreciation for the contributions of the Team of Specialists on Innovation and Competitiveness Policies and the Working Party

on Public-Private Partnerships to the ECE 2018 Regional Forum on Sustainable Development, and to the 2017 sessions of the Economic Forum and Governing Council of the United Nations Special Programme for the Economies of Central Asia.

57. The representative for the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) provided an overview of its work on innovative standards through public-private partnerships. UN/CEFACT develops recommendations, standards, and guidelines for the purpose of facilitating simple, transparent and effective processes for global business, and efficient and automated exchange of information. These are developed through the contributions of over 500 experts from both the public and private sector, from all areas of the globe. Current projects include, among others, Blockchain for Trade Facilitation, and Traceability for Sustainable Value Chains. UN/CEFACT is interested in strengthening cooperation with the Committee and engaging with them for the production of recommendations and standards on trade facilitation and e-commerce, as innovation and information technology advancements are instrumental to ease trade and make it greener and more inclusive.

Decision 2018 - 7

The Committee took note of areas of common interest with other ECE bodies and international organizations and welcomed the planned collaboration to contribute to the achievement of the 2030 Agenda for Sustainable Development. It invited its Bureau and the secretariat to continue to explore additional opportunities for collaboration with other ECE bodies and international organizations in implementing the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda. The Committee also invited its Chairperson to share the results of the discussions under this agenda item with the bureaus of the other sectoral committees under the ECE.

X. Other business (Agenda item 8)

58. The secretariat briefed the Committee on the forthcoming evaluations of the extrabudgetary projects “Competitiveness, innovative policies and public-private partnerships: Capacity building for civil servants and business associations” and “Public-Private Partnerships (PPP) Initiative: PPP Toolkit and International PPP Centre of Excellence”, as well as the planned date for the thirteenth session of the Committee. The secretariat emphasized that feedback from the beneficiaries of the above projects was critical for the evaluations.

Decision 2018 – 8.1

The Committee took note of the forthcoming evaluation of the technical cooperation projects “Competitiveness, innovative policies and public-private partnerships: Capacity building for civil servants and business associations” and “Public-Private Partnerships (PPP) Initiative: PPP Toolkit and International PPP Centre of Excellence” in keeping with the Evaluation Policy of ECE, and invited the beneficiaries of the activities financed under these projects to participate actively in this evaluation.

Decision 2018 - 8.2

The Committee agreed that its thirteenth session would take place in Geneva from 25 – 27 March 2019, subject to confirmation of room availability and interpretation services.

XI. Adoption of the report (Agenda item 9)

Decision 2018 - 9

The Committee adopted the report of its twelfth session, and requested the secretariat to publish it in English, French and Russian.

Annex I

Main conclusions of the high-level substantive segment Innovative Partnerships for Sustainable Production and Consumption (Agenda item 5)

Chairperson's summary

High-level substantive segment on Innovative Partnerships for Sustainable Consumption and Production (Agenda item 3)

Introduction

1. Sustainable Development Goal 12 on sustainable production and consumption is central to the entire 2030 Agenda for Sustainable Development. It calls for reducing resource use, pollution, and degradation.

2. Both innovation and infrastructure development, including through PPPs, have a significant role to play in making consumption and production more sustainable, and eventually closing the loop to a fully circular economy – a system that maintains and extracts maximum value from resources. Such a development would not only preserve the environment, but also contribute to economic growth – adding, according to a recent Ellen McArthur Foundation study, 7% to cumulative growth in the EU by 2030.

Doing more with less – the essential role of innovative partnerships for sustainable production and consumption

3. Dealing with population growth and urbanisation is a central challenge in this context, with the global population reaching 9.5 billion by 2050, of which 70% are projected to live in urban areas. Mobility, environmental and social needs will increase quickly. Examples were given of innovative transport systems that are able to overcome congestion and increase accessibility, while also reducing reliance on carbon fuels and pollution. The “Smart and Sustainable Cities” approach has proven one potential avenue to address these problems.

4. The European Union is very active in this area, launching a Circular Economy Action Plan in 2015. Within five product categories, the plan focuses on production, consumption, waste management, and a market for secondary raw materials. Partnerships to develop and test innovative solutions will be the essential drivers of the transition.

5. More and more countries are engaging in such partnerships. One of the pioneers is Finland, where an extensive and transparent consultation process exploring over 250 different ideas led to an ambitious national roadmap to a circular economy (2016-2025). In a highly interconnected global economy, international policy cooperation is a pivotal complement – including the 2017-2019 World Circular Economy Forum or the EU-China dialogue.

Good practices in innovation for sustainable production and consumption

6. Regions and cities should play a leading role in developing and testing different innovative approaches. Smart Specialisation Strategies can help regions exploit opportunities for sustainable production in areas such as de- and re-manufacturing, high-tech farming, marine renewable energy, certification and waste management. As the 2015 United Nations Geneva Charter on Sustainable Housing shows, there is considerable underexploited

potential in making dwellings more efficient as well. Examples from Astana, Birmingham, Nokia, and Lyon demonstrated the catalytic role of flexible city-level partnerships.

7. Transition economies can draw on this experience and see SDG 12 as an opportunity to leapfrog to higher living standards while bypassing resource-intensive development trajectories of the previous growth generation. The transition opens up a myriad of opportunities to develop competitive advantages in new or transforming economic activities – many of which will generate a range of much-needed new jobs at different skill levels.

8. Governments have to see themselves as enablers rather than as innovators. At the centre is the challenge of getting the price right: gradual but rising taxes on resources will increase incentives for sustainable production while leaving the economy time to adapt and plan. Public procurement is by far the most powerful lever for increasing demand and raising standards. At the same time, carefully designed, temporary, and targeted subsidies, concessions, and even equity investment may make all the difference for innovative projects with outsized potential social value through the signals their success would send to the rest of the economy.

People First PPPs

9. One of the challenges for governments, especially at local levels, is to develop partnerships for infrastructure projects that increase access to essential services; lessen social inequality and injustice; are resilient and sustainable; are economically effective; bring transformational economic impact, including moving from a linear to a circular economy; are replicable and scalable in order to allow the development of further projects; and bring all stakeholders together in partnership and consult those affected. The speakers presented successful case studies on innovative Public-Private Partnerships for sustainable consumption and production that provided the above-mentioned outcomes.

10. These case studies covered the following areas:

(a) the Transport for London Congestion Charge project (that increased cycling and reduced the number of cars and accidents in the city of London);

(b) a partnership in Fortaleza, Brazil, which integrated health and urban design and development; and

(c) an innovative electric bus fleet in Geneva, an example of People-first Public-Private Partnerships among the Transports Publics Genevois, the Office de Promotion des Industries et des Technologies, the Services Industriels de Genève, and ABB Sécheron.

11. The panellists explored the contribution of partnerships in infrastructure in moving from a linear to a circular economy. They commended the role of the private sector in promoting new technologies and innovation and putting sustainable development as the goal and people at the core of projects. Moreover, the private sector saw real business opportunities from these projects and was incentivized by the demand for innovative approaches to solving people's problems. In local transport partnerships one type of pollution was highlighted, namely 'visual pollution' arising from the overhead cables that supplied power and, at the same time, blocked out many sights of architectural beauty – a problem that could be overcome by innovative public transport vehicles capable of rapid self-charging at designated charging points along their routes. In discussing the type of partnerships needed, one panellist noted the welcome trend away from mega infrastructure projects towards smaller 'people – oriented' ones. It was also stressed that infrastructure needs to be resilient in order to achieve the SDGs. In increasing the capacity of governments to realize these projects, another panellist argued that the best way was the "carrot and stick" approach: sometimes taxing sport utility vehicles was the only policy which could make real progress to a more sustainable local transport service that decreased the number of cars on the roads.

Annex II

Intersessional implementation plan for 2018-2019

I. Introduction

1. The present document is based on the programme of work of the Committee for 2018-2019 (ECE/CECI/2017/6). It provides additional information on activities planned for the period between the twelfth and thirteenth sessions of the Committee. The document presents activities grouped by the main thematic areas covered by the Committee, i.e. Innovation and Competitiveness, and Public-Private Partnerships (PPPs).
2. The plan reflects demand expressed by member States as well as the resources available to the secretariat at the time of writing.

II. Innovation and Competitiveness Policies

3. The eleventh session of the Team of Specialists on Innovation and Competitiveness Policies will be held in Geneva on 1-2 November 2018. As part of the session, an international policy conference will provide an opportunity for experts from across the ECE region to exchange experiences on innovation policy. The bureau of the Team will decide on the specific topic in consultation with the Team members. The twelfth session will decide on the date for the thirteenth session to be held in 2019.
4. The Innovation for Sustainable Development Review of Kyrgyzstan will be published. A launch event will be held in Bishkek.
5. A training seminar on technology transfer will be organized together with the Government of Kazakhstan with the participation of experts from other Central Asian countries.
6. Follow-up policy advisory workshops to support the implementation of policy recommendations from earlier innovation reviews will be organized in the second half of 2018 and in 2019, including in Armenia, Belarus and Kyrgyzstan.
7. Additional policy advisory and capacity building events will be organised in other countries subject to extrabudgetary funding.
8. In response to requests from member States, a new Innovation for Sustainable Development Review will be carried out in 2018-2019 subject to the availability of extrabudgetary funding.
9. The 2018 session of the Working Group on Knowledge-Based Development of the United Nations Special Programme for the Economies of Central Asia (SPECA) will be organized together with UNESCAP. A policy conference will be organised back-to-back with the session. The precise location and date remain to be decided.
10. A SPECA Innovation Strategy for Sustainable Development will be developed for adoption by the SPECA Governing Council. The scope and possible contents of the strategy will be discussed at the above policy conference.
11. A methodological guide on Innovation for Sustainable Development Reviews will be prepared based on expert consultations within the Team of Specialists on Innovation and Competitiveness Policies.

12. Further work on the methodology for a sub-regional Innovation Policy Index and on a pilot version of the index will be undertaken subject to expressions of interest from member States and the availability of extrabudgetary funding.

13. The Team of Specialists on Innovation and Competitiveness Policies will explore the scope for developing high-level policy principles on selected aspects of innovation for sustainable development.

14. The results of the Committee's work on innovation for sustainable consumption and production will be presented at the 2018 Multi-Stakeholder Forum on Science, Technology and Innovation for Sustainable Development in New York in June 2018.

III. Public-private Partnerships

15. The focus of the work on PPPs is on developing international PPP standards and best practices in support of the SDGs and implementing them in countries through demand-driven national, regional, and international capacity-building activities as well as through policy advisory services carried out by the ECE PPP Business Advisory Board.

16. The second session of the Working Party on PPPs will be held in Geneva on 20-21 November 2018.

17. The third edition of the ECE International PPP Forum will be organised in Geneva on 7-9 May 2018.

18. Meetings of the Business Advisory Board with senior policy makers are planned in Georgia in September 2018 and in Brazil in October 2018. Additional Business Advisory Board meetings will be organized, both in 2018 and 2019, subject to demand from member States and the availability of extrabudgetary resources.

19. A PPP conference will be organised in Kiev, Ukraine on 5-6 June 2018.

20. A regional PPP capacity-building workshop will be organised in the Russian Federation in October 2018.

21. A series of PPP workshops will be organised in Belarus, including a national seminar in Minsk in July 2018.

22. A number of policy advisory and capacity building activities will be held in 2018 and 2019 in CIS countries on formulating and implementing national PPP policy frameworks to promote PPPs as tools to achieve the SDGs. These activities are part of the extrabudgetary project "Strengthening the capacity of CIS countries to advance their use of PPPs to achieve the SDGs" financed by the Russian Federation.

23. A series of policy advisory services and capacity-building activities will be organized in Kazakhstan, Kyrgyzstan and Uzbekistan in 2018 and 2019, subject to the availability of extrabudgetary resources.

24. International standards on PPPs in health policy, in water and sanitation, in renewable energy, and in transport (roads, rail, urban rail and airports) will be finalized during 2018.

25. The guiding principles on people-first PPPs for the SDGs will be finalised in 2018.

26. The campaign to reach 500 people-first PPP case studies will continue to be promoted, and additional case studies will be collected and presented at the third ECE International PPP Forum in Geneva on 7-9 May 2018.

27. A PPP Readiness Assessment study in Tatarstan, Russian Federation will be prepared in the second half of 2018 subject to extrabudgetary resources.

28. An evaluation methodology as an implementation tool to score infrastructure projects against the people-first PPP criteria will be set up during 2018 subject to extrabudgetary resources.

29. A capacity building initiative for countries within the Belt and Road initiative, based on three pillars of cooperation (policy dialogue, national capacity-building and transformational projects) will be implemented in 2018 and 2019 subject to extrabudgetary resources.

30. An initiative to empower women through PPPs with the engagement of the private sector will be launched in 2018 subject to extrabudgetary resources.
