



Economic Commission for Europe**Committee on Innovation, Competitiveness and Public-Private Partnerships****Team of Specialists on Innovation and Competitiveness Policies****Thirteenth session**

Geneva (hybrid), 1-2 November 2021

Item 3 of the provisional agenda

Innovation and Competitiveness Policies**Progress report on Innovation Policy Principles****Note by the secretariat****I. Background**

1. At its twelfth session in March 2018, the UNECE Committee on Innovation, Competitiveness and Public-Private Partnerships asked the Team of Specialists on Innovation and Competitiveness Policies (ToS-ICP) to “explore the scope for developing high-level policy principles” (CECI/2018/2, Annex II para. 13, p.17) as a way to clearly articulate and further consolidate the knowledge acquired by the Team, increase its visibility, and strengthen dissemination and application.

2. It was agreed that the principles should capture overall consensus on what characterises and enables good innovation policies, institutions and processes across the UNECE region, especially for member States with economies in transition.

3. The principles could constitute the conceptual foundation for the Team work on Innovation for Sustainable Development, particularly for the national reviews. They could also form the core of the issues to be assessed in the sub-regional Innovation Policy Outlook.

4. The principles could also serve as a reference for national policy making more broadly, to guide national reform efforts, help innovation policy makers work towards increased policy co-ordination, and highlight issues to be addressed regionally through the Committee and other mechanisms.

5. Innovation has become a mainstream policy in all UNECE economies. However, innovation policy in the economies in transition is often marginal to the overall development strategy. There is a strong need to improve the contribution of innovation policy to technology upgrading and innovation-based growth. This requires a qualitatively new innovation policy grounded in the research and practice and understanding what works in the specific context of economies in transition.

6. With this aim a Task Force on Innovation Policy Principles was established in spring 2021, following a public call for participation¹. The Task Force is composed of ten

¹ The list of the members of the Task Force is in Annex I.

experts from different stakeholder groups, including government representatives, academics and experts on innovation policy. It held its first meeting on 27 May 2021 and its second meeting on 26 October 2021.

7. The purpose of this note is to provide a progress report on the work and discussion of the Task Force to date.

II. First meeting of the Task Force

8. The Task Force met for the first time on 27 May 2021. Following a presentation by the secretariat of the Terms of Reference of the Task Force and the concept and possible structure of the principles, members discussed and agreed on the way forward, milestones and timeline.

9. It was agreed that as a starting point the structure of the principles will follow what was suggested by the secretariat: Strategic Guiding Principles, Governance and Institutions, Enabling Innovation, Promoting Innovation, Monitoring and Evaluation, Creating an Enabling Environment, Supplying Innovation Inputs. Members stressed that Innovation for Sustainable Development should be mainstreamed across all principles. Monitoring and Evaluation, Policy Coherence and Smart Specialization should be also addressed by the principles.

10. Agenda 2030 and the Sustainable Development Goals (SDGs) should provide the framework of reference in the development of the principles. It should be considered how innovative policy design and innovative policy instruments contribute to the achievement of the SDGs and their targets. This includes SDG 12 on responsible consumption and production, crucial for the circular economy transition.

11. Although the focus of the principles will be the national innovation systems, smart specialization should guide innovation policy. The principles should include and take in consideration the capacity of the institutions to innovate and adopt and implement new instruments as well as the absorptive capacity of the private sector, who is the innovator in the first place. Policies should address also innovation capacity building at firms' level.

12. Particular attention should be paid to the way the principles will be presented and promoted to the audience of policy makers. They should be readable, simple and short and easily understandable, so to encourage their use and implementation.

13. The rationale of the principles, the reasons behind their development and the uniqueness of the UNECE principles compared to other existing instruments should be emphasized upfront. Attention should be paid also to the specificities of the UNECE region and the economies in transition in particular.

III. Second meeting of the Task Force

14. On 28 October 2021, the Task Force met for the second time. A first draft of the policy principles was discussed and it will be further developed in the coming months with the aim to have a more advanced draft for discussion at the next session of the Committee on Innovation, Competitiveness and Public-Private Partnerships in spring 2022.

15. The Task Force agreed that the principles should promote innovation for economic growth and competitiveness and sustainable, inclusive, and resilient growth. The principles should also call for the mainstreaming of innovation policy for sustainable development. They should reflect the emergence of new industrial policies that aim to pursue a broad development policy agenda but within a generally favourable business climate framework.

16. The principles will set out the criteria for designing and implementing innovation policies that are nationally specific and reflect the latest understanding of 'what works'

given the diversity of income, technological, political and social contexts of the UNECE economies.

17. The design of the principles will be inspired by the United Nations Conference on Trade and Development (UNCTAD) “Guiding Principles for African Caribbean and Pacific Countries' Investment Policymaking” (2017), UNCTAD “Investment Policy Framework for Sustainable Development” (2015), the Organisation for Economic Cooperation and Development (OECD) “Policy Framework for Investment”(2015), UNECE “Sub-regional Innovation Policy Outlook 2020: Eastern Europe and the South Caucasus” (2020), and the recent methodological contributions in innovation policy studies.

18. The Task Force agreed that the principles will be non-binding and they will provide general guidance for innovation policymaking.

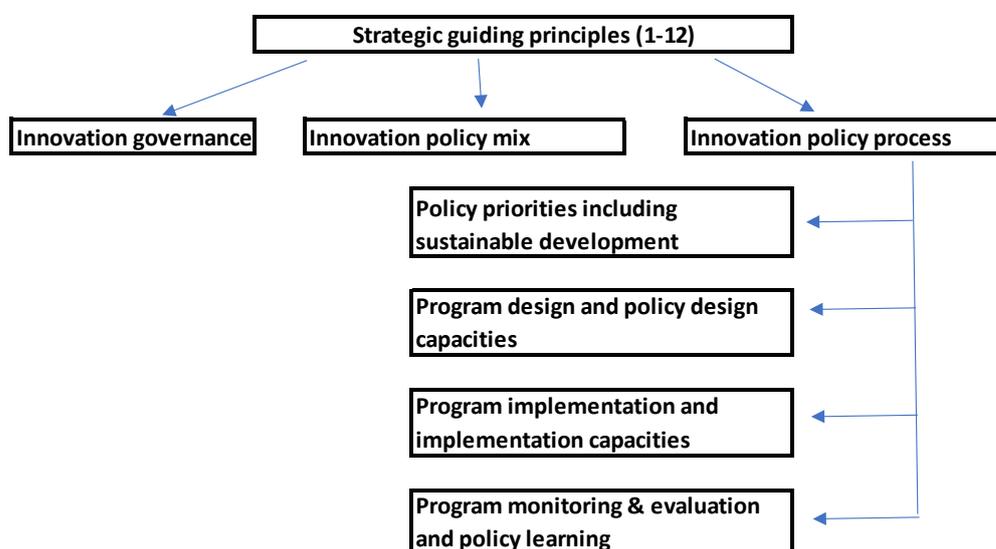
19. They will be made of ten to twelve strategic guiding principles, further detailed into recommendations on innovation governance, policy mix, and policy process. In all stages of the policy process, the strong focus will be on institutional capacities for prioritisation, design, implementation, monitoring and evaluation and learning capacity.

20. The principles should address also multi-level governance and the role of local actors. They should take in consideration capacities both on the public and private sector side and capacity failure when it comes to implementing policies as well as policy failure, as inability to design.

21. The proposed structure of the principles is reflected in Figure 1.

Figure 1: “Proposed structure of UNECE Innovation Policy Principles”

Source: UNECE Task Force on Innovation Policy Principles



Annex I

Members of the UNECE Task Force on Innovation Policy Principles

Olga Meerovskaya

Head of Unit of International S&T Cooperation
Belarusian Institute of System Analysis and Information Support of S&T Sphere
Belarus

Annie Vashakmadze

Head of Donor Relations and International Relations Department
Georgia Innovation and Technology Agency
Georgia

Medet Dyussebayev

Vice- Chairman of The Board
QazTech Ventures JSC
Kazakhstan

Yelena Shevchenko,

Head of the Centre of Innovation and Technology Development,
QazIndustry
Kazakhstan

Slavo Rodosevic

Professor of Industry and Innovation Studies
University College London, United Kingdom

Jon Mikel Zabala Iturriagagoitia

Associate Professor
University of Deusto, San Sebastián, Spain

Manfred Spiesberger

Senior researcher and project manager
Centre for Social Innovation, Vienna, Austria

Igor Yegorov

Professor
National Academy of Sciences of Ukraine, Kiev, Ukraine

Edoardo Croci

Professor of Practice
Department of Social and Political Sciences
Bocconi University, Milan, Italy

Magnus Karlsson

Professor
KTH Royal Institute of Technology, Stockholm, Sweden