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**Economic Commission for Europe****Committee on Innovation, Competitiveness and Public-Private Partnerships****Fourteenth session**

Geneva (hybrid), 2-4 June 2021

**Report of the Committee on Innovation, Competitiveness and Public-Private Partnerships on its fourteenth session****I. Overview**

1. The fourteenth session of the United Nations Economic Commission for Europe (ECE) Committee on Innovation, Competitiveness and Public-Private Partnerships was held from 2 to 4 June 2021.
2. The Chair of the Committee welcomed participants and noted the key role that innovation and Public-Private Partnerships (PPPs) will need to play for countries to recover better from COVID-19. The Chair highlighted that, due to the COVID-19 pandemic, the Committee did not hold its annual session in 2020, and that this year's session is held in hybrid format.
3. In her opening remarks, the Executive Secretary of the ECE highlighted the importance of innovation and PPPs for member States to achieve economic development, environmental sustainability and social inclusiveness by 2030. The Executive Secretary stressed the relevance of the Committee's deliberations, and stated that the Committee would also contribute to the implementation of the outcomes of the 69<sup>th</sup> session of the Economic Commission for Europe. Held in April 2021, the 69<sup>th</sup> session addressed the circular economy and the sustainable use of natural resources. This Committee has an important mandate to work on two policy areas critical in this respect: innovation and PPPs.

**II. Attendance**

4. A total of 173 participants attended the meeting. The session was attended by representatives from the following 30 ECE member States: Albania, Armenia, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, France, Georgia, Germany, Greece, Israel, Italy, Kazakhstan, Kyrgyzstan, Moldova, Poland, Portugal, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, Turkey, Ukraine, United Kingdom, United States and Uzbekistan.
5. Representatives of Bhutan, Chile, Nigeria and Senegal participated under article 11 of the Commission's terms of reference.
6. The session was attended by representatives of the European Commission.
7. The following specialized agencies in the United Nations system were represented: the United Nations Conference on Trade and Development (UNCTAD), the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations



Industrial Development Organization (UNIDO), the United Nations Institute for Training and Research (UNITAR), the United Nations Development Programme (UNDP), the United Nations Office for Disaster Risk Reduction (UNDRR) and the World Intellectual Property Organization (WIPO).

8. Other organizations (local authorities, academic institutions, international organisations outside the UN system, non-governmental organisations 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/2021/1/Rev.1).

#### **Decision 2021 - 1**

The Committee adopted the revised agenda for its fourteenth session (ECE/CECI/2021/1/Rev.1).

### **IV. Substantive segment: International Policy Dialogue on Innovation, Competitiveness and Public-Private Partnerships**

9. In the substantive segment under agenda item 2 and agenda item 3, the Committee held an international policy dialogue to exchange experience on selected issues of mutual interest in the areas of Innovation, Competitiveness and PPPs. The Chairperson's summary of the discussions is presented in Annex I.

#### **A. Innovation and Competitiveness Policies (Agenda item 2)**

10. The Committee thanked the speakers and participants for their contributions to the discussion on international good practices on innovation for sustainable development, analyses of national innovation policies and national and subregional capacity building on innovation and competitiveness policies.

#### **B. People-first Public-Private Partnerships and "Recovering Better" (Agenda item 3)**

Documentation:

A draft People-first Public-Private Partnerships Evaluation Methodology for the Sustainable Development Goals (ECE/CECI/PPP/2020/3/ Rev.1)

11. The draft Evaluation Methodology, which is being currently improved according to an Action Plan adopted by the Working Party on PPPs at its fourth session in December 2020 (ECE/CECI/WP/PPP/2020/3/Rev.1), provides a mechanism by which Governments and other stakeholders can see the extent to which their infrastructure projects are aligned with the SDGs. More than this, the Evaluation Methodology can also identify whether and how projects can be better designed to meet the People-first PPP outcomes and thus become fully aligned with the Sustainable Development Goals. There are important similarities between the SDGs, "Recovering Better" and People-first PPP, with their emphasis on the need to design infrastructure that ensures access and equity, economic effectiveness and fiscal sustainability, environmental sustainability and resilience, replicability and stakeholder engagement. The Evaluation Methodology can therefore also play a role in orienting stakeholders as to the suitability of projects for "Recovering Better" from the COVID-19 pandemic.

12. The Committee thanked the speakers and participants for their contributions to the discussion on People-first PPPs and "Recovering Better".

13. The representative of the European Union, speaking on behalf of the European Union and its member States, thanked the secretariat and the Bureau of the Working Party for their efforts in further promoting the People-first PPP approach including through the development and pilot testing of the Methodology. Following a previous position expressed at the fourth session of the Working Party in December 2020, the European Union and its member States reiterated their suggestion to explore possibilities to capture the entirety of the SDGs in the name of the People-first PPP approach. This would also correspond to the current discussions about “Building Back Better” policy, for which the SDGs are the blueprint. In fact, the full name of the ten guiding principle reads as follows: “Guiding Principles on People-first Public-Private Partnerships (PPPs) for the United Nations Sustainable Development Goals (UN SDGs)”. On the Methodology, in accordance with Annex II of the Report from the fourth session of the Working Party on PPPs, the European Union and its member States expressed their desire to focus the work in 2021 on completing the Phase II of the Methodology for self-assessment of the project’s contribution to the SDGs, without engaging in or supporting any certification activities. The delegate also expressed her surprise with the change of the name of the Methodology to “infrastructure rating system” without consultation or approval of the Working Party. In her view, it seemed inappropriate to alter the focus of the work mandated by the Working Party without explicit mandate from the responsible body. Finally, she suggested that the experts from the member States might provide more detailed views on this matter considering their expertise in the field.

14. The representative of Greece supported the intervention by the European Union. He underlined that any changes in the terminology of the Methodology should be discussed at a Working Party level where they should be first approved and then formally adopted, and not directly at the Committee. He argued that, from a procedural point of view, issues not included in the agenda, without prior agreement or information from the secretariat to the ECE member States are not acceptable, since they should be subject to extensive, organised discussions at member States level, in a transparent fashion. He concluded by saying that, it should be absolutely clear where these proposals come from and in which context they were made.

15. The representative of France expressed her support with the position of the European Union and its member States, as well as that of Greece. In addition, and on procedural issues, she pointed out that any modification of the documents and, in this case, the name of the Methodology, cannot be decided in this Committee, during a panel discussion with no room for debate between member States, and which cannot lead to a decision. Such a decision should be prepared and decided by the Working Party, and then formally submitted to the member States for approval by the Committee, together with the necessary supporting documents for prior discussion. More generally, the forthcoming Bureau of the Committee and the secretariat should seek to clarify the decision-making processes in this respect, in order to avoid any confusion and in the interest of transparency.

16. The representative of the Russian Federation commended the competition for the best “Building Back Better” infrastructure projects held during the fifth UNECE International PPP Forum in April 2021. In her opinion, the competition has become a significant promotional instrument of the ECE’s work in the area of People-first PPPs among the business community and regions. The list of finalists included six projects from the Russian Federation that were evaluated as “Building Back Better” and “People-first”. At the same time, the competition provided an opportunity to test the Methodology and the delegation received positive feedback from the regional state authorities of the Russian Federation. The delegation also made comments and suggestions to improve the Methodology.<sup>1</sup>

17. Furthermore, the representative of the Russian Federation gave a concrete example of how the Methodology is being used in the country: the Saint Petersburg Investment Committee intends to take the Methodology into account in law enforcement practice by

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<sup>1</sup> The delegation of the Russian Federation argued that there was a need for an adjustment of the indicators of the Self-Assessment Tool to the different types of projects. For example, the indicators in the section “Environmental Sustainability and Resilience”, such as ES1 “Reduce greenhouse gas emissions”, are not applicable for social health projects. This leads to an underestimation of the final score for projects due to negative response options for environmental indicators.

including its provisions in the PPP projects at the preparation stage, as well as directly in the PPP agreements (the Saint Petersburg Investment Committee is interested in the provisions of the Methodology on scheduling of carbon dioxide emissions over the lifetime of the project, on the circular use of resources and on the policies for women workers). Finally, the representative of the Russian Federation stressed that it is premature to change the name of the People-first PPP approach and of the Methodology. To make a well-argued and informed decision, member States should hold further consultations to analyse the reasons for the need to change the current names and to assess all the risks and consequences. Moreover, it is important to hear the position of the member States that are the direct beneficiaries of the work carried out by the ECE, where the People-first approach could already be widely adopted in the national legislation and practice.

18. The representative of Belarus supported the position of the Russian Federation and stated that it is vital to review the issue of possible renaming in full consultation with the member States and following a bottom-up approach, through the Bureau of the Working Party to the Working Party and then the Committee.

19. The secretariat thanked member States for their interventions and reassured delegations that the issue of the renaming of the Methodology, in line with the Action Plan adopted by the Working Party, will be considered by the Bureau and subsequently by the Working Party.

## **V. Implementation of the programme of work (Agenda item 4)**

### **A. Decisions taken inter-sessionally (Agenda item 4(a))**

Documentation:

Intersessional Implementation Plan for 2020-2021 of the Committee on Innovation, Competitiveness and Public-Private Partnerships (ECE/EX/2020/L.6 and ECE/CECI/2021/INF.5)

20. In order to ensure that the work of the ECE and its subprogrammes could continue in the face of restrictions imposed by the United Nations and the host country to cope with the COVID-19 pandemic, the ECE Executive Committee authorized the principal subsidiary bodies of ECE, including the Committee on Innovation, Competitiveness and Public-Private Partnerships, to take business-critical decisions by remote silence procedure inter-sessionally ([Informal document No. 2020/20](#) and [ECE/EX/2020/L.14](#)).

21. In August 2020, the Committee availed itself of this possibility and adopted its Intersessional Implementation Plan for 2020–2021 (ECE/CECI/2021/INF.5) by silence procedure.

22. On 5 October 2021, the Committee’s Intersessional Implementation Plan for 2020–2021 was subsequently approved by the Executive Committee (ECE/EX/2020/L.6, Annex I).<sup>2</sup>

### **B. Team of Specialists on Innovation and Competitiveness Policies (Agenda item 4(b))**

Documentation:

Report of the Team of Specialists on Innovation and Competitiveness Policies on its twelfth session (ECE/CECI/ICP/2019/2)

Smart and Sustainable Cities: The Role of Governance and Innovation Policy (ECE/CECI/2021/3)

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<sup>2</sup> Progress on implementation of the of the Committee’s Intersessional Implementation Plan for 2020-2021 are presented under agenda items 4(b), 4(c) and 4(d).

Building Back Better: Using Platforms to Enable Sharing and Progress towards the Circular Economy (ECE/CECI/2021/4)

Building Back Better: Innovation-enhancing Procurement for Sustainable Development (ECE/CECI/2021/5)

Results and policy recommendations of the Innovation for Sustainable Development Review of Georgia (ECE/CECI/2021/6)

Results and policy recommendations of the Sub-regional Innovation Policy Outlook (ECE/CECI/2021/7)

Chair's conclusions on the informal consultations of the Team of Specialists on Innovation and Competitiveness Policies (ECE/CECI/2021/8)

Recommendations from the external evaluation of the programme of national Innovation for Sustainable Development Reviews (ECE/CECI/2021/INF.2)

Status of the Innovation for Sustainable Development Reviews of Armenia, the Republic of Moldova, and Uzbekistan (ECE/CECI/2021/INF.3)

The Sub-regional Innovation Policy Outlook – the way forward (ECE/CECI/2021/INF.4)

23. The Chair drew the attention of the Committee to the Report of the twelfth session of the Team of Specialists on Innovation and Competitiveness Policies (ECE/CECI/ICP/2019/2) and to the Chair's conclusions on the informal consultations the Team held on 21, 23 and 27 October 2020 (ECE/CECI/2021/8).

24. The secretariat emphasized the critical role that innovation will play if we are to build back better after COVID-19 and accelerate the transition to a circular economy. To support member States in their efforts, ECE has a range of tools to support policy development, including: policy documents on selected topics; Innovation for Sustainable Development (I4SD) Reviews and a Sub-regional Innovation Policy Outlook (IPO) benchmarking tool that has been implemented with 6 countries in Eastern Europe and the South Caucasus.

25. The secretariat briefed delegates on the work undertaken by the Team of Specialists on Innovation and Competitiveness Policies (TOS-ICP) since the previous session in 2019 and referred delegates to the Chair's conclusions on the informal consultations of the Team of Specialists on Innovation and Competitiveness Policies (ECE/CECI/2021/8) and to the related policy documents on "Smart and Sustainable Cities: The Role of Governance and Innovation Policy" (ECE/CECI/2021/3), on "Building Back Better: Using Platforms to Enable Sharing and Progress towards the Circular Economy" (ECE/CECI/2021/4), on "Building Back Better: Innovation-enhancing Procurement for Sustainable Development" (ECE/CECI/2021/5), on "Results and policy recommendations of the Innovation for Sustainable Development Review of Georgia" (ECE/CECI/2021/6), and on "Results and policy recommendations of the Sub-regional Innovation Policy Outlook" (ECE/CECI/2021/7).

### ***International policy dialogue***

26. As part of the Team's twelfth session, an applied policy seminar was held on the topic "Smart and Sustainable Cities: The Role of Governance and Innovation Policy", where the discussion highlighted a range of examples and approaches that cities across the ECE region are taking to become "smart" and "sustainable" (ECE/CECI/2021/3).

27. Webinars on the topics "Building Back Better: Using Platforms to Enable Sharing and Progress towards the Circular Economy" and "Building Back Better: Innovation-enhancing Procurement for Sustainable Development" were held as part of the informal consultations of TOS-ICP on 21, 23 and 27 October 2020.

28. A webinar on diasporas to promote innovation for sustainable development was held prior to the session of the Committee, on 31 May 2021 to share experiences between countries and experts. A summary of key outcomes of the discussion was presented to participants during panel 1 of the substantive segment, agenda item 2 (Annex I).

29. Following policy dialogue and supporting analytical work, a handbook on policies for Innovative High Growth Enterprises for Eastern Europe and the South Caucasus and a policy handbook on incubators for the SPECA countries are forthcoming as official publications.

#### ***Innovation for Sustainable Development Reviews***

30. The fact-finding mission for the Innovation for Sustainable Development Review of Georgia took place in November 2019, following which chapters were drafted. A virtual peer review process of main findings and recommendations took place during summer 2020 after which the review was finalised. The Innovation for Sustainable Development Review of Georgia was launched on 16 December 2020 in a joint launch webinar alongside the national launch of the Sub-regional Innovation Policy Outlook 2020. It contains detailed, evidence-based recommendations on improving innovation policy in Georgia (ECE/CECI/2021/6) and was issued as an official UN publication in December 2020.

31. Work on Innovation for Sustainable Development Reviews of the Republic of Moldova and of Uzbekistan is ongoing, with an Innovation for Sustainable Development Review of Armenia planned for 2022 (ECE/CECI/2021/INF.3).

32. The Committee also noted the key findings and recommendations of the independent evaluation of the programme of national Innovation for Sustainable Development Reviews (ECE/CECI/2021/INF.2).

33. The Committee welcomed the interest expressed by the representative of Ukraine during discussions under agenda item 2 in undertaking an Innovation for Sustainable Development Review, subject to the availability of extrabudgetary funding.

#### ***Innovation Policy Outlook***

34. The Sub-regional Innovation Policy Outlook 2020: Eastern Europe and South Caucasus was published in March 2021. It was presented at a high-level online launch event and at six national launch events.

35. The secretariat informed delegates of plans to begin work on an interim Sub-regional Innovation Policy Outlook and relevant follow-up activities to IPO 2020 in close cooperation with participating Governments.

#### ***Innovation Policy Principles***

36. Following the mandate given to TOS-ICP by the Committee at its twelfth session, a task force under the guidance of its bureau was launched. The ECE Task Force on Innovation Policy Principles met for the first time on 27 May 2021, with outcomes of the discussion presented under agenda item 2 (Annex I). The Task Force will develop the structure, preamble and justification of the principles and report progress to the next session of TOS-ICP. The secretariat invited further members to join the Task Force.

#### ***Special Programme for the Economies of Central Asia***

37. The 11<sup>th</sup> Session of the SPECA Working Group on Knowledge-based Development was held alongside a regional workshop on Innovation and Technology Applications for Sustainable Development in Bishkek, Kyrgyzstan on 26-27 June 2019.

38. A study trip “From ideas to applications: Sharing best practices on incubators, science parks and technology transfer” was held for the SPECA countries on 21-23 October 2019, Moscow, Russian Federation.

39. The 14<sup>th</sup> session of the SPECA Governing Council, held in Ashgabat, Turkmenistan on 21 November 2019, approved the recommendation of the 2019 session of the SPECA Working Group on Knowledge-based Development to change its name to “SPECA Working Group on Innovation and Technology for Sustainable Development (WG on ITSD)” and approved its new terms of reference. The SPECA Governing Council also adopted the SPECA Innovation Strategy for Sustainable Development.

40. The first annual session of the SPECA Working Group on Innovation and Technology for Sustainable Development was organized together with the UN Economic and Social Commission for Asia and the Pacific (ESCAP) in virtual mode on 30 July 2020, chaired by the Government of Kazakhstan.

41. A subregional webinar was held on 26 November 2020 to present and validate the draft findings of science, technology and innovation (STI) gap analyses carried out for the SPECA countries under the SPECA Innovation Strategy for Sustainable Development. Ongoing work on new industrial policy for technological upgrading in the SPECA countries was discussed, as well as work on business incubators for sustainable development in the SPECA sub-region that will form the basis of a handbook on this topic. These activities were carried out with the support of the UNDA project “Strengthening innovation policies for SPECA countries in support of the 2030 Agenda for Sustainable Development” (2020-2023).

42. The representative of Kyrgyzstan thanked the secretariat for ongoing support to development of the national innovation ecosystem following the I4SD review of Kyrgyzstan. They confirmed that the next session of the SPECA Working Group on Innovation and Technology for Sustainable Development will be hosted by Kyrgyzstan alongside a thematic seminar on innovation for sustainable development, with a provisional date in October 2021.

#### ***National and subregional capacity building***

43. During the reporting period, the following capacity building activities were organised by the ECE secretariat for beneficiary countries:

(a) A Regional Capacity Building workshop on “Promoting Innovative High Growth Enterprises in Eastern Europe and the Caucasus” was organised in Minsk, Belarus on 5-6 March 2019 in partnership with the Organisation for Economic Co-operation and Development;

(b) A regional training on “Innovation for sustainable development” was organized jointly by ECE and UNCTAD in Geneva on 28 March 2019;

(c) A national capacity building on “Science, technology, innovation policy and risk: access to finance for innovative business – bottlenecks and challenges” was organised in Minsk on 29 May 2019;

(d) A regional training seminar on selected aspects of innovation policy was organized jointly with UNCTAD and other interested UN agencies in the framework of the Inter-Agency Task Team on Science, Technology and Innovation for Sustainable Development in Belgrade in November 2019;

(e) An on-line event was organised to discuss the final report of the work of a ECE-Belarus Task Force for developing a roadmap for piloting a public-private venture capital mechanism for innovative projects in Belarus, in cooperation with the State Committee on Science and Technology in September 2020;

(f) A regional capacity building on Innovative High Growth Enterprises for Eastern Europe and the South Caucasus region which was organized through two on-line events on 15 and 17 September 2020, one focusing on institutional and policy support mechanism and the second on access to finance

(g) A high-level online launch event and a series of national launch events for the Sub-regional Innovation Policy Outlook were held in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine in webinar format during the period November 2020 – February 2021; and

(h) The development and finalization of a Handbook on “Supporting Innovative High-Growth Enterprises in Eastern Europe and the South Caucasus” (forthcoming) and a series of three on-line trainings on the Handbook on “Supporting Innovative High-Growth Enterprises in Eastern Europe and the South Caucasus” for policy makers in the Eastern Europe and South Caucasus region on 16, 18 and 22 May 2021.

44. 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.

***Mandate of the Team of Specialists on Innovation and Competitiveness Policies***

45. The secretariat noted that the Committee had last renewed the mandate of the Team of Specialists at its session in 2019 for two years until 2021 and invited the Committee to decide on the renewal of the Team's mandate for an additional two years until 2023.

**Decision 2021 – 4b.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 the Team's 12<sup>th</sup> session (ECE/CECI/ICP/2019/2) and the Chair's summary of the informal consultations held in lieu of a formal session in October 2020 (ECE/CECI/2021/8).

**Decision 2021 – 4b.2**

The Committee took note of the discussions under the substantive segment (agenda item 2.) and invited the secretariat to make use of them in implementing the programme of work. It welcomed the launch of the Task Force on Innovation Policy Principles.

**Decision 2021 – 4b.3**

The Committee endorsed the policy recommendations on "Smart and Sustainable Cities: the Role of Governance and Innovation Policy" (ECE/CECI/2021/3), "Building Back Better: Using Platforms to Enable Sharing and Progress towards the Circular Economy" (ECE/CECI/2021/4), and "Building Back Better: Innovation-enhancing Procurement for Sustainable Development" (ECE/CECI/2021/5), and requested the secretariat to electronically disseminate them and to make use of their conclusions in future capacity building activities and policy advisory work.

**Decision 2021 – 4b.4**

The Committee welcomed the results and policy recommendations of the national Innovation for Sustainable Development Review for Georgia (ECE/CECI/2021/6). It also welcomed the agreement on a capacity building programme to facilitate the implementation of policy reforms. The Committee also welcomed the initiation of national Innovation for Sustainable Development Reviews of the Republic of Moldova and of Uzbekistan. It also took note of the positive external evaluation of the programme of national Innovation for Sustainable Development Reviews in the period 2014-2020.

**Decision 2021 – 4b.5**

The Committee welcomed the results and policy recommendations of the Sub-regional Innovation Policy Outlook for Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine (ECE/CECI/2021/7). It also welcomed the suggestion by the ECE secretariat to apply the Methodology of the Sub-regional Innovation Policy Outlook 2020: Eastern Europe and South Caucasus to other sub-regions, including the Western Balkans and Turkey, members of the Eurasian Economic Union, members of the SPECA Working Group, and the Commonwealth of Independent States should extrabudgetary funding become available for this purpose.

**Decision 2021 – 4b.6**

The Committee welcomed innovation policy reforms undertaken in Belarus and Kyrgyzstan 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.

**Decision 2021 – 4b.7**

The Committee welcomed the progress made by the SPECA Working Group on Innovation and Technology for Sustainable Development in support of the SPECA Innovation for Sustainable Development Strategy, most notably the science, technology and innovation (STI) gap analyses completed for the SPECA countries that will form the basis for an Action Plan to be developed under the Strategy, and development of a Handbook on Business



incubators for sustainable development in the SPECA sub-region, to be issued as an official UN publication in 2021.

#### **Decision 2021 – 4b.8**

The Committee welcomed 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. In particular the Committee welcomed the capacity building programme on public-private venture capital funds for Belarus and the highly interactive on-line trainings on policies supporting Innovative High Growth Enterprises organized for the Eastern Europe and South Caucasus region. The Committee also welcomed the publication of a Handbook on Innovative High Growth Enterprises for Eastern Europe and the South Caucasus (EESC). The Committee requested the secretariat to disseminate the handbook and provide additional, in-depth capacity building on this important topic for EESC as well as, subject to extra-budgetary funding, other groups of countries.

#### **Decision 2021 – 4b.9**

The Committee renewed the mandate of the Team of Specialists for two years until 2023.

### **C. Working Party on Public-Private Partnerships**

Documentation:

Report of the Working Party on Public-Private Partnerships on its third session (ECE/CECI/WP/PPP/2019/2)

Report of the Working Party on Public-Private Partnerships on its fourth session (ECE/CECI/WP/PPP/2020/2)

46. The Chairperson drew the Committee's attention to the reports of the Working Party on its third and fourth sessions, in documents ECE/CECI/WP/2019/2 and ECE/CECI/WP/2020/2 respectively. She asked the secretariat to provide a status report of the PPP work since the thirteenth session in March 2019.

47. The secretariat informed the Committee that the focus of the ECE PPP work continued to focus on People-first PPP for the SDGs through the PPP standards, guiding principles, best practices and recommendations, and their voluntary use and implementation in countries.

#### ***Working Party sessions***

48. The third session of the Working Party on Public-Private Partnerships was held on 3-4 December 2019. The policy discussion was dedicated to implementing People-first PPPs in support of the SDGs. The discussion focussed on the kind of projects needed in low and middle-income countries in support of the SDGs, and on how the capacities of Governments could be further developed to deliver People-first PPPs in line with the 10 Guiding Principles for People-first PPPs for the SDGs.

49. The fourth session of the Working Party on Public-Private Partnerships was held on 1-2 December 2020 in a reduced (four hours instead of the typical twelve hours) and hybrid format. The policy discussion was dedicated to mainstreaming the People-first PPP for the SDGs model, with panel discussions on the draft People-first PPP Evaluation Methodology for the SDGs (the Methodology) and the Guidelines on Promoting People-first PPP Waste-to-Energy Projects for the Circular Economy, highlighting their key advantages and disadvantages pros and cons. The Working Party also launched the work to develop its own Rules of Procedure, which is expected to be concluded in the coming months.

#### ***UNECE International PPP Forums***

50. The annual UNECE International PPP Forums have become the premier international PPP events within the UN system, and continue to attract a lot of interest for their discussions on topical issues and challenges, as well as opportunities, of interest to member States in the ECE region and beyond.

51. The fourth edition of the UNECE International PPP Forum “The Last Mile: Promoting People-first PPPs for the UN 2030 Agenda for Sustainable Development” was held in Geneva on 7-9 May 2019, organised by the ECE in cooperation with the Economic Commission for Africa (ECA). The Forum focused on three areas, namely:

- (a) Making the People-first PPP model for the SDGs more operational;
- (b) Increasing the collaboration between the public and private sectors; and
- (c) Identifying ways in which stakeholder engagement can be increased in People-first PPPs for the SDGs.

52. The highlight of the fourth edition was the participation of four of the five Executive Secretaries of Regional Commissions – ECA, ECE, ESCAP and ESCWA – who made a strong commitment to enhance People-first PPP cooperation across all regions. A proposal was made to hold the fifth edition of the Forum in Africa co-organised by the ECE and ECA (the plans had to be abandoned due to the COVID-19 pandemic despite the agreement by the Working Party to hold the event in Addis Ababa, Ethiopia).

53. The fifth edition of the UNECE International PPP Forum was held in Geneva on 22-26 April 2021 on the theme of “Building Back Better through People-first PPPs” with an international debate on the topic. A highlight of the Forum was a competition for the Building Back Better infrastructure award. The competition was a means to incentivize countries and project managers to test the draft Methodology in its self-assessment form and provide feedback on its improvement. Sixty-five projects from over 20 countries were submitted, and eleven of them were showcased at the Forum. The winners of the award were chosen directly by the participants through electronic voting: a first for the ECE PPP programme.

#### *Normative work*

54. The secretariat informed the Committee that the first draft of the People-first PPP Evaluation Methodology for the SDGs (ECE/CECI/WP/PPP/2020/3/Rev.1) was developed in 2020 and was welcomed by the Working Party at its fourth session as an excellent basis going forward. During the Working Party its dissemination and use was encouraged during the pilot phase in 2021 pursuant to the Action Plan it endorsed (ECE/CECI/WP/PPP/2020/2, Annex II). A revised draft<sup>3</sup> will be submitted to the Bureau in the coming weeks. The secretariat is offering support to Governments who request it to self-assess their projects using the draft Methodology, and it plans to continue also to do so once the Methodology is finalised.

55. Work is also progressing on the Model Law on PPP/Concessions, the guidelines on People-first PPP Waste-to-Energy projects for the Circular Economy (the guidelines were submitted as a contribution to the high-level segment and cross-cutting theme of the 69<sup>th</sup> session of the Economic Commission for Europe in April 2021) as well as on a number of other standards under preparation (on urban rail, water and sanitation, and healthcare).

#### *Capacity building activities and policy advisory services*

56. During the reporting period, the following capacity building activities and policy advisory missions (in chronological order) were organised by the ECE secretariat with the participation of over 1,000 participants in the beneficiary countries:

- (a) France: high-level workshop on People-first PPPs jointly organised with the Paris Bar Association and the International Specialist Centre of Excellence on PPPs in Policy, Laws, and Institutions (Paris, 1 April 2019);
- (b) United States: policy session “Making PPPs work for sustainable development” jointly organised by ECE with the United Nations Capital Development Fund and UNCTAD at the SDG Investment Fair (UN Headquarters, New York, 16 April 2019);

<sup>3</sup> A detailed account on the improvements and testing of the Methodology was given under agenda item 3.

- (c) Belarus: regional PPP workshop jointly organised by ECE with the PPP unit of Belarus and the Brest City administration (Brest, 27 July 2019);
- (d) Kuwait: high-level training workshop on PPPs in the Ports sector jointly organised by ECE with ESCWA (Kuwait City, 27 July 2019);
- (e) Tajikistan: field mission to review the PPP law of Tajikistan jointly organised by ECE with the State Committee on Investment and State Property Management (Dushanbe, 19-21 August 2019);
- (f) Belarus and the Russian Federation: study tour for Kyrgyz senior government officials to learn about PPP institutional capacity in Belarus and the Russian Federation, facilitated by ECE (Minsk and Moscow, 26-31 August 2019);
- (g) Kyrgyzstan: field mission to Kyrgyzstan to prepare guidelines to assist the public sector in the process of identification and initiation of People-first PPPs for the SDGs, jointly organised by ECE with the Ministry of Economy (Bishkek, 3-5 September 2019);
- (h) Belarus: workshop to present the draft PPP guide prepared by ECE for the regional authorities in Brest jointly organised by ECE with the Ministry of Economy and the local authorities in Brest (Brest, 24 October 2019);
- (i) Kyrgyzstan: seminar to present the guidelines prepared by ECE to assist the public sector in the process of identification and initiation of People-first PPPs for the SDGs, jointly organised by ECE with the Ministry of Economy (Bishkek, 30 October 2019);
- (j) Kyrgyzstan: roundtable discussion on “New PPP legislation in the Kyrgyz Republic”, jointly organised by ECE with the Ministry of Economy (Bishkek, 31 October 2019);
- (k) Jordan: workshop on PPPs in the Ports sector jointly organised by ECE with ESCWA and the Islamic Development Bank for public officials from Greece, Iraq, Jordan, Kuwait, Lebanon and Syria (Amman, 23-24 November 2019);
- (l) Chile: workshop on the role of People-first PPPs in efficient, resilient and sustainable infrastructure jointly organised by ECE with ECLAC (Santiago, 10 December 2019);
- (m) Chile: seminar on resilient People-first PPP infrastructure for the SDGs jointly organised by ECE with ECLAC and the Chilean Chamber of Construction (Santiago, 11 December 2019);
- (n) Tajikistan: workshop to present the study prepared by ECE on the regulatory impact of the new PPP law in Tajikistan, jointly organised by ECE with the State Enterprise PPP Centre in Dushanbe (17 December 2019);
- (o) Tajikistan: roundtable seminar on “Strengthening PPP institutional capacity and promoting the People-first PPP approach for the SDGs”, jointly organised by ECE with the State Enterprise PPP Centre in Dushanbe, Tajikistan (18 December 2019);
- (p) Ukraine: webinar on “Aligning PPP Legislation in Ukraine with the SDGs”, jointly organised by ECE with the Ministry for Development of Economy, Trade and Agriculture (Online, 30 March 2021); and
- (q) Ukraine: training webinar on “How to Design PPP Projects Aligned with the SDGs: the People-first Approach to PPPs”, jointly organised by ECE with the Ministry for Development of Economy, Trade and Agriculture (Online, 25 May 2021).

57. 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 2021 – 4c.1**

The Committee expressed its satisfaction with the continued focus of the work on the People-first PPP approach through standards, guiding principles, best practices and recommendations, and on its voluntary implementation in countries in support of the SDGs. The Committee also endorsed the report of the third and fourth sessions of the Working Party

on Public-Private Partnerships (ECE/CECI/WP/PPP/2019/2) held on 3-4 December 2019 and on 1-2 December 2020 (ECE/CECI/WP/PPP/2020/2) respectively.

#### **Decision 2021 – 4c.2**

The Committee took note of the discussions under the substantive segment (agenda item 3.) and invited the secretariat to make use of them in implementing the programme of work. It welcomed the draft People-first PPP Evaluation Methodology for the SDGs and took note with appreciation of the progress to improve and test the Methodology in line with the action plan adopted by the Working Party in December 2020. The Committee also noted that an improved version of the Methodology will be submitted to the Working Party for adoption at its next session in November 2021. In accordance with Annex II of the Report from the fourth session of the Working Party on PPPs, the Working Party will focus in 2021 on completing Phase II of the evaluation Methodology for self-assessment of the project's contribution to the SDGs, without engaging in or supporting any certification activities.

#### **Decision 2021 – 4c.3**

The Committee took note of the support by the secretariat to Governments in self-assessing their projects using the draft People-first PPP Evaluation Methodology for the SDGs during the testing phase, and the final (enhanced) version once this is adopted by the Working Party in November 2021.

#### **Decision 2021 – 4c.4**

The Committee took note of the status of the PPP standards and guidelines under preparation, especially the Guidelines on Promoting People-first PPP Waste-to-Energy Projects for the Circular Economy, 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 to the Working Party on PPPs.

#### **Decision 2021 – 4c.5**

The Committee took note of the PPP policy advisory and capacity building work carried out since its last session, in particular the third and fourth sessions of the International PPP Forum in May 2019 and April 2021 respectively, as well as the activities jointly organised with other UN Regional Commissions – the Economic Commission for Africa, the Economic and Social Commission for Western Asia and the Economic Commission for Latin America and the Caribbean.

### **D. Joint Activities**

58. ECE organised the 2019, 2020, 2021 Regional Fora on Sustainable Development and the 68th and 69th sessions of the Economic Commission for Europe. The Team of Specialists on Innovation and Competitiveness Policies and the Working Party on PPPs contributed to roundtables and side events organized on these occasions. The Team of Specialists also contributed to a roundtable on innovation for the circular economy at the 2019 High-Level Political Forum on Sustainable Development.

59. The Team of Specialists and the Working Party also made substantive contributions to the nexus areas on Smart Sustainable Cities, on Smart Connectivity, and on Monitoring and Measuring Progress Towards the SDGs, and in particular to a flagship publication on Smart Sustainable Cities.

60. The secretariat thanked the donors whose financial contributions greatly contributed to the Committee's work, namely the Governments of the Russian Federation and of Sweden, Tsinghua University in China and City University of Hong Kong.

#### **Decision 2021 – 4d.1**

The Committee welcomed the contributions of the Team of Specialists and the Working Party to the nexus areas on Smart Sustainable Cities, on Smart Connectivity, and on Monitoring and Measuring Progress Towards the SDGs, and in particular to a flagship publication on Smart Sustainable Cities. It also welcomed the results of peer learning roundtables and side

events co-organized at the 2019, 2020 and 2021 Regional Forums for Sustainable Development and the 68<sup>th</sup> and 69<sup>th</sup> sessions of the Economic Commission for Europe, as well as to a roundtable on innovation for the circular economy at the 2019 High-Level Political Forum on Sustainable Development.

#### **Decision 2021 – 4d.2**

The Committee thanked the donors whose financial contributions greatly contributed to the Committee’s work on developing good practices and standards, analysing national policies, and providing policy advice and capacity building for the implementation of policy reforms, i.e. the Governments of the Russian Federation and of Sweden, 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.

### **Item 5. Programme of Work, Intersessional Implementation Plan for 2021-2022, and Outline of key components of the Programme of Work for 2023**

#### Documentation

Draft Programme of Work 2021 (ECE/CECI/2021/INF.6)

Draft Programme of Work 2022 (ECE/CECI/2021/9)

Draft Intersessional Implementation Plan for 2021-2022 (ECE/CECI/2021/INF.7)

Proposed programme budget for 2022: Part II. Programme plan and performance information of the ECI subprogramme (ECE/CECI/2021/INF.8)

Outline of key components of the Programme of Work of the Economic Cooperation and Integration Subprogramme for 2023 (ECE/CECI/2021/INF.9)

61. The Secretariat presented the draft Programme of Work for 2021 for decision (ECE/CECI/2021/INF.6), the draft Programme of Work for 2022 (including the publications programme) for decision (ECE/CECI/2021/9) and the draft Intersessional Implementation Plan for 2021-2022 for decision (ECE/CECI/2021/INF.7) containing activities planned for the remainder of 2021 and until the next session in 2022.

62. The secretariat explained that the draft Programmes of Work 2021 and 2022 are derived from the Proposed Programme Budgets 2021 and 2022, respectively, which have been either adopted by member States in New York (as is the case with the one for 2021), or are as the case of the one for 2022 is currently in very advanced stage of consideration by member States in New York. In line with Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2018/3), which stipulates that “[t]he programmes of work submitted by programme managers to specialized intergovernmental organs should contain activities and output specifications identical to those set out in the programme portion of the proposed programme budget. This does not preclude the addition of further information and detail if required by the specialized intergovernmental organs” (Rule 105.7 (c)).

63. The Secretariat also explained that the draft Programme of Work 2021 had been tabled for intersessional adoption by silence procedure but that the silence had been broken, and so no decision on the draft Programme of Work 2021 had been taken inter-sessionally.

64. The secretariat presented the proposed programme plan and performance information of the ECI subprogramme for 2022 (ECE/CECI/2021/INF.8) for information (this is the document from where the draft Programme of Work for 2022 derives). The programme plan and performance information for 2022 is an extract from the ECE proposed programme budget for 2022 which was reviewed by the ECE Executive Committee in December 2020 and submitted for consideration by the 76<sup>th</sup> session of the UN General Assembly. The programme of work reflects the annual format presented in 2020 in line with General

Assembly resolution 72/266, with modifications reflecting General Assembly resolutions 74/251 adopted on 27 December 2019 and 75/243 adopted on 31 December 2020.

65. The Secretariat added that at the 112<sup>th</sup> meeting of the ECE Executive Committee in December 2020, member States requested to ensure that sectoral governing bodies could provide recommendations on key elements of their future programmes of work so that these recommendations could be reflected in the draft ECE proposed programme plan presented to the ECE Executive Committee in December of the current year. This request should be addressed by the secretariat submitting an information document entitled “Outline of key components of the programme of work of the respective subprogramme for a specific year”. This document should present objective, strategy and deliverables of the programme of work, with any modified or new elements highlighted in track changes. A sectoral governing body will be invited to consider this information and provide recommendations on these components, as necessary. Those recommendations which are agreed by the governing body and included in the meeting report should be reflected in the proposed programme plan of the respective subprogramme for a specific year (EXCOM/CONCLU/115).

66. At its meeting on 5 March 2021, the ECE Executive Committee adopted a document entitled “Sequential review of the proposed programmes of work of ECE subprogrammes” (doc. 2021/8). In line with the sequential review procedure, the Committee is invited to consider the “Outline of key components of the programme of work of the Economic Cooperation and Integration subprogramme for 2023” (ECE/CECI/2021/INF.9) and provide recommendations on these components, as necessary. Those recommendations agreed by the Committee and included in its decisions will be reflected in the proposed programme plan of the ECI subprogramme for 2023.

67. The secretariat briefed the Committee on the recently obtained 13<sup>th</sup> tranche UNDA project: Accelerating the transition to a circular economy in the ECE region, with an implementation period 2021-2023. The project will support beneficiary countries in their transition to a circular economy, in specific areas of work within the sub-programmes of the Economic Cooperation and Trade Division, and in support of the outcomes of the 69<sup>th</sup> Commission session.

68. The representative of the European Union, speaking on behalf of the European Union and its Member States:

(a) Thanked the secretariat for preparing the Intersessional Implementation Plan for 2021-2022 and for the opportunity to make comments on the individual work items and proposed an additional item to be included in the Plan, as follows:

“[. The Working Party will agree on a new name to replace “People-first PPP” references to capture the entirety of the SDGs at its fifth session in 2021. The UNECE secretariat will adjust all future UNECE documents to implement this decision, as well as preparing a new adjusted version of key past documents, in particular the UNECE Guiding Principles on People-first PPP for the Sustainable Development Goals and the other UNECE PPP standards, before the next session of the Committee in 2022.”

(b) Welcomed the revised text of the Intersessional Implementation Plan for 2021-2022 concerning the People-first PPP/Concession Model Law elements and made a number of suggestions on the way forward. The European Union and its Member States believe that the work should start immediately following the Committee session with a newly appointed team by the Bureau of the Working Party on PPPs. The representative proposed to elect two co-leads for the team, ideally representing expertise from different areas. To this end, the representative asked the secretariat in liaison with the co-Chairs to organize a meeting of the Bureau of the Working Party on PPPs as soon as possible after this Committee session, and in any case before the end of June 2021. The co-leads should present a “menu” of the model law elements for the fifth session of the Working Party on PPPs for approval. The menu will provide options for the two PPP models identified in the UNECE Guiding Principles definition of PPPs – ‘user pays’ PPP or concession and ‘government pays’ PPP - in a balanced manner. It will primarily focus on the inclusion of the People-first PPP approaches

and outcomes, and it will be fully aligned with the definition of PPPs from the UNECE Guiding Principles on People-first PPP for the Sustainable Development Goals and the PPP work of UNCITRAL. Following the approval of the Working Party on PPPs, further details of the model law elements could be developed. The representative recommended that the participation in the Bureau meetings should be mandatory until the next session of the Working Party, and that absence in the Bureau meetings will be interpreted as an agreement with the proposed decisions;

(c) Requested the removal of paragraph 18 from the Intersessional Implementation Plan for 2021-2022, as it was a completely new item, which has not been discussed with the experts in the Working Party. As the “building back better” initiatives rely on the Agenda 2030 and its SDGs as its blueprint, the representative argued that it also seemed abundant to develop new principles. The European Union and its Member States believe that the change of the name from People-first PPP to the more SDGs encompassing term would make this duplication more obvious;

(d) Requested further information about the proposed work on guidelines for the People-first PPP outcomes in paragraph 20 of the Intersessional Implementation Plan 2021-2022 in accordance with the ten Guiding Principles on People-first PPPs. If one follows the ten Guiding Principles for People-first PPP for SDGs, does it not mean that the outcomes are in accordance with the principles? The representative argued that the European Union and its Member States were not clear about the added value of such a document;

(e) Requested the inclusion of the following text in paragraph 24 of the Intersessional Implementation Plan 2021-2022:

“In accordance with Annex II of the Report from the fourth session of the WP on PPP, the Working Party will focus in 2021 on completing Phase II of the evaluation methodology for self-assessment of the project’s contribution to sustainable development goals, without engaging in or supporting any certification activities”

(f) Proposed an additional item in paragraph 6 of the Outline of key components of the Programme of Work of the Economic Cooperation and Integration Subprogramme for 2023, as follows:

“(d) further develop and operationalize the ECE cooperation with the multilateral platform SOURCE for sustainable infrastructure and PPP project preparation, jointly led and financed by MDBs.”

69. Following informal consultations on the Intersessional Implementation Plan for 2021-2022:

(a) Paragraph 16, Annex II was added;

(b) The word “elements” was removed from the text of paragraph 18, Annex II (paragraph 17 in the Intersessional Implementation Plan for 2021-2022), after a number of Working Party Bureau members explained that an agreement on the way forward had been reached in the Bureau of the Working Party on PPPs;

(c) Paragraphs 18 and 20 were removed from the Intersessional Implementation Plan for 2021-2022; and

(d) The text proposed by European Union and its Member States in paragraph 69(e) above was added to paragraph 24, Annex II.

### **Decision 2021 – 5.1**

The Committee adopted the Programme of Work of the ECI Subprogramme for 2021 (ECE/CECI/2021/INF.6) and the Intersessional Implementation Plan for the activities to be undertaken in 2021 and until the next session in 2022 (ECE/CECI/2021/INF.7), which was revised including the discussion that led to changes during the Committee session, and requested that the final Intersessional Implementation Plan be annexed to the report of the fourteenth session of the Committee.

In order to implement the Intersessional Implementation Plan 2021-2022, the secretariat in agreement with the co-Chairs of the Working Party, will convene a Bureau meeting before the end of June 2021.

The Committee recommends that the participation in the Working Party Bureau meetings should be mandatory until the next Working Party session; in case of absence in the meetings or in the absence of written comments submitted in advance to the Chair, agreement with the proposed decisions will be assumed.

#### **Decision 2021 – 5.2**

The Committee took note of the document “Proposed programme budget for 2021: Part II. Programme plan and performance information of the ECI subprogramme” (ECE/CECI/2021/INF.8) and adopted the Programme of Work of the ECI Subprogramme for 2022 (ECE/CECI/2021/9), including the proposed publications.

#### **Decision 2021 – 5.3**

The Committee requested that the secretariat follow up, subject to available extrabudgetary resources, on the interest expressed by the Government of Ukraine in policy advisory and capacity building services to support Innovative High Growth Enterprises, including in support of the implementation of recommendations from Innovation for Sustainable Development Reviews and the Innovation Policy Outlook, and as part of the UNDA project “Accelerating the transition towards a Circular Economy in the ECE region”.

#### **Decision 2021 – 5.4**

The Committee requested that the secretariat follow up, subject to available extrabudgetary resources, on the interest expressed by the Governments of Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine in:

(a) Conducting regular meetings of the IPO national focal points to exchange good policy practices and build government capacity to implement the IPO 2020 policy recommendations; and

(b) Participating in full-fledged IPO assessments in EESC countries at regular intervals of three-four years to enable countries to track their own policy progress, benchmark their performance vis-à-vis other EESC countries in a peer-learning context, and continue using the IPO as a tool to guide and measure effects of policy design and reform to build sustainable national innovation systems.

#### **Decision 2021 – 5.5**

The Committee agreed on the following recommendation on the “Outline of key components of the programme of work of the Economic Cooperation and Integration subprogramme for 2023” (ECE/CECI/2021/INF.9), and agreed on an additional item in paragraph 6 as follows:

- (d) Further develop and operationalize ECE cooperation with the multilateral platforms, including SOURCE for sustainable infrastructure and PPP project preparation, jointly led and financed by MDBs.

The Committee also requested that this additional item/recommendation be included in the proposed programme plan of the Economic Cooperation and Integration subprogramme for 2023.

### **Item 6. Areas of common interest with other Economic Commission for Europe bodies and international organisations**

70. The secretariat reported on the 69<sup>th</sup> session of the ECE Commission, held on the topic of circular economy and the sustainable use of natural resources. Outcomes include the High-level Statement and a number of decisions, notably decision B(69), which includes action items for Sectoral Committees and their subsidiary bodies. As innovation and PPPs can both play an important role in the transition towards a circular economy, there may be benefits in



further strengthening the Committee's work in the area of the Circular Economy and the sustainable use of natural resources.

#### **Decision 2021 – 6**

The Committee welcomed the initiative to host a series of "Innovation Matters" podcasts and took note of areas of common interest with other ECE bodies and international organizations, including the request of the 69<sup>th</sup> session of the Economic Commission for Europe to its subsidiary bodies to consider how to enhance the impact of relevant existing ECE instruments, replicate and scale up existing approaches, and develop proposals for impactful and measurable solutions that promote a circular economy and the sustainable use of natural resources.

The Committee 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

### **Item 7. Election of officers**

71. Mr. Siarhei Shlychkou (Belarus), Mr. Shalom Tourgeman (Israel), Mr. Nikita Ponomarenko (Russian Federation) and Mr. Arthur Smith (United States) completed two consecutive terms of office as vice-Chairs of the Committee.

#### **Decision 2021 - 7**

The Committee elected Mr. Stefano Firpo (Italy) as Chair for a two-year term beginning after this session, Mr. Sergey Vladimirovich Shuba (Belarus), Ms. Annie Vashakmadze (Georgia), Mr. Nicolaus-Alejandro Weil von der Ahe (Germany), Mr. George Katapodis (Greece), Mr. Medet Dyussebayev (Kazakhstan) as vice-Chairs for terms of two years, and Ms. Sedef Yavuz Noyan as vice-Chair for a one-year term.

The Committee thanked the outgoing officers Mr. Siarhei Shlychkou (Belarus), Mr. Shalom Tourgeman (Israel), Mr. Nikita Ponomarenko (Russian Federation) and Mr. Arthur Smith (United States) for their service.

### **Item 8. Other business**

72. The secretariat informed the Committee on the planned date for its fifteenth session.

#### **Decision 2021 – 8**

The Committee agreed that its fifteenth session would take place in Geneva in the second quarter of 2022, subject to confirmation of room availability and interpretation services.

### **Item 9. Adoption of the report**

#### **Decision 2021 – 9**

The Committee requested the secretariat to prepare a draft report of the session and distribute it to all Geneva Permanent Representations, together with the final list of participants, for subsequent approval by silence procedure in accordance with paragraph 21 of Appendix III of document E/ECE/1464 (Guidelines on procedures and practices for ECE bodies). Once the draft report is adopted, it requests its publication in English, French and Russian.

## Annex I

### **Chairperson’s summary of the substantive segment on Innovation and Competitiveness Policies (agenda item 2) and People-first Public-Private Partnerships and “Recovering Better” (agenda item 3)**

#### **A. Innovation and Competitiveness Policies (agenda item 2)**

##### **Analyses of national innovation policies**

1. Panel 1 discussed the status of ECE Innovation for Sustainable Development (I4SD) Reviews. The Secretariat briefed participants on updates to the Review methodology and preliminary insights and findings from the on-going I4SD Reviews of the Republic of Moldova and Uzbekistan. The new approach of complementing a broad overview of the innovation system with in-depth chapters on relevant topics, such as diaspora, innovation infrastructure, and business-science linkages, has proven important to increase usefulness and to share and discuss findings more broadly with other ECE member States. For example, the chapter on innovation-enhancing procurement in the 2020 I4SD Review of Georgia has prompted further work on the topic, including a webinar on innovation-enhancing procurement for sustainable development, as well as recognition of innovation-enhancing procurement as a tool to foster transition to a more circular economy.

2. Before the formal session of CICPPP, ECE organised a policy dialogue on harnessing the potential of diaspora communities to catalyse innovative initiatives in their home countries. Systematically exploiting this potential has risen high on the agenda among ECE member States, such as the Republic of Moldova – where the on-going I4SD Review will have a chapter dedicated to this topic. The potential goes far beyond remittances - social capital, knowledge of markets, regulation and language, affinity for the country of origin, and skills and networks acquired abroad are, as several success stories show, potential drivers of innovation for sustainable development.

3. Participants expressed their appreciation for the value of the I4SD Reviews to inform policy, and Belarus and Kyrgyzstan highlighted several reforms prompted by review recommendations and follow-up capacity building support from ECE. The Republic of Moldova and Uzbekistan welcomed progress in their ongoing reviews, while Ukraine expressed interest in a second review, subject to extrabudgetary resources.

4. Panel 2 addressed the Sub-regional Innovation Policy Outlook – the way forward. The panel covered the process, findings, and recommendations of the pilot ECE Sub-regional IPO 2020: Eastern Europe and South Caucasus (EESC). The IPO complements a range of composite indices measuring innovation inputs and outputs by looking specifically at the scope, quality, and impact of governance in general and innovation policies, institutions, and processes in particular. The panel discussed suggestions for continuing and deepening cooperation by further improving the IPO methodology at regular intervals not only in EESC countries, but also in other sub-regions among countries with similar features, opportunities, and challenges. This may include (i) the Western Balkan countries and Turkey, (ii) countries of the UN Special Programme for the Economies of Central Asia (SPECAs), (iii) member States of the Commonwealth of Independent States (CIS), and (iv) member States of the Eurasian Economic Union (EAEU) These suggestions were based on a stock-taking exercise the secretariat had undertaken in recent months (see ECE/CECI/2021/INF.4).

5. Panellists and member States highlighted that the pilot IPO methodology has proven to be a useful tool to benchmark innovation policy progress across several countries with similar legacies and characteristics. The discussion also showed that the cooperation based on the IPO methodology should continue in the EESC countries through regular updates and with added elements of in-depth analysis of common issues, and that the application of the IPO methodology to new sub-regions should be considered, subject to extrabudgetary

resources. The ECE secretariat welcomed support from member States in liaising with potential donors.

### **National and subregional capacity building: Handbook on Innovative, High-growth Enterprises (IHGEs)**

6. This session presented and discussed findings and recommendations of the forthcoming Policy Handbook “Supporting Innovative High-Growth Enterprises in Eastern Europe and South Caucasus”. IHGEs, in contrast to small and medium-sized enterprises (SMEs) overall, have by far the greatest potential to drive the experimentation with new ideas that could foster structural transformation and sustainable development. In EESC, and in countries with economies in transition in particular, IHGEs can drive innovation by absorbing and adapting ideas and technologies already proven elsewhere. As IHGEs have needs and features that differ substantially from those of the SME population overall, enhancing this potential requires different approaches to policy and institutional design.

7. Participants from across the ECE region highlighted the value of the Handbook as a tool to guide policy makers in their efforts to boost the potential of IHGEs to drive the post COVID-19 recovery and progress towards the SDGs. They welcomed further ECE support and emphasised the benefits that can arise from cooperation between different UN agencies (e.g. including UNCTAD) and other stakeholders (e.g. including the International Chamber of Commerce (ICC)) in providing support to countries aiming to foster IHGEs.

### **International good practices on innovation policies for sustainable development**

8. In panel 3, the Secretariat presented the results of the first meeting of the ECE Task Force on Innovation Policy Principles. The principles should capture and formalise the policy recommendations gathered through several years of work of the TOS-ICP.

9. Participants expressed their appreciation for the approach to developing principles, as a universal and non-binding document that will be valuable to guide policy makers. The Task Force will develop the structure, preamble and justification of the principles and report progress to TOS-ICP in November 2021. The Secretariat invited further experts to join the Task Force.

10. Panel 4 discussed how innovation policies can help build back better after COVID-19 and accelerate the circular economy transition and sustainable development overall. The COVID-19 pandemic and restrictions imposed to cope with it have had a significant negative effect on the ECE region. In the longer term, innovation can and should be the driver of a sustainable, inclusive and resilient recovery. Participants discussed lessons learned from the pandemic and, going forward, how innovation policy can help build a more productive, sustainable, inclusive and circular economy.

11. The discussion stressed the role of innovation for businesses to embrace the transition to circular economy business models and that more needs to be done at the national and international levels to enable this transition. Panelists referred to the 69<sup>th</sup> session of the ECE devoted to the topic of the circular economy and the sustainable use of natural resources and expressed their appreciation of and interest in future cooperation activities on this topic. A growing number of countries have already launched wide-ranging efforts to speed up the transition, covering diverse areas such as reducing waste or promoting the platform economy to enable sharing and renting rather than ownership. Business was noted as a main engine of the circular economy transition, flagging the importance of creating an enabling and stimulating environment. Sharing experiences, learning from others through policy dialogue on what works, what does not, and what alternatives and trade-offs may emerge, as well as cooperation through intergovernmental and multi-stakeholder mechanisms such as ECE committees and working parties, can all support efforts towards a circular economy transition.

## **B. People-first Public-Private Partnerships and “Recovering Better” (agenda item 3)**

12. Delegates received an overview of the feedback and comments received from member States and other interested stakeholders on the draft People-first PPP Evaluation Methodology for the SDGs (thereinafter the Methodology) including some constructive and insightful suggestions to improve it. Overall, Governments and other stakeholders who have responded to the survey and the testing protocol developed by the secretariat according the Action Plan (ECE/CECI/WP/PPP/2020/2, Annex 2), appreciated the quality and relevance of the Methodology, its comprehensiveness and practicality to design and improve infrastructure projects aligned with the People-first outcomes and the SDGs. The feedback also highlighted the need to provide capacity building to Governments in the ECE region in self-assessing their infrastructure projects.

### **Improving and using the Methodology**

13. The panellists highlighted some practical improvements that are being proposed based on the feedback received from Governments and other users. Some of the key changes being considered include:

- (a) Strengthen the terminology with more specific definitions;
- (b) Clarify how the Methodology could be used at different stages of the project lifecycle;
- (c) Add a reference to the business climate and institutional framework in the document which, though not assessed by the Methodology, are important to the success of projects; and
- (d) Merge and add elements where gaps exist.

14. A number of public officials recognised the quality and usefulness of the Methodology and argued that it fills the gap of assessing infrastructure projects’ compliance with the SDGs. They agreed that a more marketable name in line with the Action Plan should be chosen (a proposal in this regard was made to rename the Methodology as “People-first Infrastructure Evaluation and Rating System or PIERS”).<sup>4</sup> They also stressed that the Methodology should not evaluate countries and should rather focus on projects in a broader sense, preferably at the identification and early stages of their development. They also pointed out the importance of developing the Self-Assessment Tool as an online tool with an integrated users’ guide for greater ease of use, but stressed that it should not be limited to one platform and preferably be designed and managed by ECE especially due to issues of data ownership.

### ***Testing the Methodology***

15. Representatives from institutions with experience in developing and managing sustainability measurement/evaluation methodologies shared their practical experience with testing and improving such tools. They stressed the importance of testing the Methodology on actual projects from various sectors, countries and regions, in order to collect relevant feedback. While it is important to maintain and improve sustainability methodologies over time, the panellists also recommended not to release improved versions too often, particularly due to the high costs associated with the necessity to train the users on the additional features. One way to avoid the need to revise methodologies too often is to include generic references to reputable sources which are regularly updated instead of incorporating them directly into the tool.

### ***Next steps towards its completion and rollout***

16. The Methodology will achieve a greater impact if it is scaled up through partnerships with key stakeholders in the ECE region, such as Multilateral Development Banks (MDBs). Panellists from the European Bank for Reconstruction and Development (EBRD) and the

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<sup>4</sup> This proposal is without prejudice to any decisions and conclusions that the member States might take at the Working Party on PPPs. See also other statements by member States in the report on this issue.

European Investment Bank (EIB) proposed a number of ways to promote and rollout the Methodology once it is finalised. In particular, one panellist offered to present the Methodology to ten major MDBs. Finally, the representative of the Sustainable Infrastructure Foundation (SIF) shared his ideas on how the Methodology could be linked to the SOURCE platform.

## Annex II

### Intersessional Implementation Plan for 2021-2022

#### I. Introduction

1. The present document is based on the programme of work of the ECI subprogramme 2021 (ECE/CECI/2021/INF.6). It provides additional information on activities planned and proposed for the period between the fourteenth and fifteenth sessions of the Committee.
2. The plans and proposals reflect demand expressed by member States and are based on the understanding that implementation is subject to the resources available to the secretariat.

#### II. Innovation and Competitiveness Policies

##### *Events*

3. The fourteenth session of the Team of Specialists on Innovation and Competitiveness Policies will be held in Geneva on 4-5 November 2021. 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.
4. The 2021 session of the Working Group on Innovation and Technology for Sustainable Development of the UN Special Programme for the Economies of Central Asia (SPECA) will be organized together with ESCAP. A policy conference will be organised back-to-back with the session. The precise location and date remain to be decided.

##### *National Innovation for Sustainable Development Reviews*

5. Two national Innovation for Sustainable Development Reviews, of the Republic of Moldova and of Uzbekistan, will be carried out in cooperation with the respective Governments. A review of Armenia will be initiated in 2021.

##### *Innovation Policy Outlook*

6. Regular meetings of the network of IPO national focal points will be organized to exchange good policy practices and build government capacity to implement policy recommendations from the IPO. A follow-up publication documenting progress and analysing 2-3 select policy issues in-depth will be published in 2022 under the guidance of the network.

##### *Innovation Policy Principles and Strategy*

7. A task force convened by the Team of Specialists on Innovation and Competitiveness Policies will work on draft high-level Innovation Policy Principles on selected aspects of innovation for sustainable development. A broad multi-stakeholder consultation process will be continued based on the first task force meeting in May 2021.

##### *Capacity building*

8. In follow-up to the national Innovation for Sustainable Development Review of Georgia, ECE will carry out a capacity building programme for Georgia on the topic of innovation-enhancing procurement, as per agreement with Government. The capacity building activities include a handbook on innovation-enhancing procurement based on international best practices, and a study tour for four Georgian officials to one of the ECE member States. ECE will publish the handbook on policies for innovative, high-growth enterprises in English and Russian, and aims to hold further trainings on this topic based on the handbook.
9. Under the SPECA Working Group on Innovation and Technology for Sustainable Development, an Action Plan for the SPECA Innovation Strategy for Sustainable

Development will be developed based on the gap analyses carried out for all seven SPECA countries in 2020. Additional national capacity building will be provided upon request to SPECA countries on the basis of these gap analyses, a Handbook on business incubators to promote sustainable development in the SPECA subregion as well as a review of best practices in new industrial policy prepared in 2020. Kyrgyzstan is the first country to have requested such capacity building support. The Action Plan for the SPECA Innovation Strategy for Sustainable Development and associated capacity building activities will be implemented with the support of the UN Development Account project “Strengthening innovation policies for SPECA countries in support of the 2030 Agenda for Sustainable Development”.

10. ECE will continue contributing to the capacity building workstream of the UN Inter-agency Task Team on Science, Technology and Innovation for Sustainable Development following a successful pilot webinar in 2020.

11. Building on the Committee’s existing work on innovation for the circular economy and on innovation-enhancing procurement, and in cooperation with the ECE Trade subprogramme, ECE will support selected member States, upon request, in developing road maps or action plans for the circular economy transition in selected fields. This will include implementation of the UNDA project “Accelerating the transition towards a Circular Economy in the ECE region”.

### **III. Public-Private Partnerships**

12. The focus of the work on public-private partnerships (PPPs) is on developing international PPP standards, recommendations, guidelines, tools and best practices in support of the SDGs and facilitate their implementation in countries through demand-driven national, regional, and international capacity building activities to assist member States in improving their legal and regulatory framework and develop pipelines of infrastructure projects. The ECE Guiding Principles on People-first PPPs for the SDGs provide the normative basis for the work on PPPs.

#### ***Events***

13. The fifth session of the Working Party on PPPs will be held in Geneva on 29-30 November 2021;

14. The sixth edition of the International People-first PPP Forum will be organised by ECE in May 2022;

15. Regular coordination meetings of the network of the International PPP Specialist Centres of Excellence affiliated to the ECE International PPP Centre of Excellence will take place in 2021 and 2022; and

16. The Working Party will discuss and decide on proposals for a possible change of People-first PPP references to capture the entirety of SDGs at its fifth session in 2021. The ECE secretariat will adjust all future ECE documents to implement this decision, as well as preparing a new adjusted version of key past documents, in particular the UNECE Guiding Principles on People-first PPPs for the SDGs and the other UNECE PPP standards, before the next session of CICPPP in 2022.

#### ***Standards, recommendations, guidelines and best practices***

17. International standards on PPPs in health policy, in water and sanitation and in urban rail will be finalized during 2021 and 2022;

18. The ECE standard on People-first PPP/Concessions Model Law, including options for the two PPP models identified in the UNECE Guiding Principles definition of PPP (user-pays PPP/concession and government-pays PPP), will be finalized in 2021 and published in 2022. The ECE standard on People-first PPP/Concessions Model Law will incorporate the 10 UNECE People-first PPP Guiding Principles in a way to assist interested Governments to integrate the approach in their respective national legal frameworks. The work will incorporate the following three key points: a balanced approach to “user-pays” and

“government-pays” models; primary focus on the inclusion of the People-first PPP approaches and outcomes; and alignment of the definition of PPPs with the definitions from the UNECE Guiding Principles on People-first PPP and UNCITRAL work on PPP. It will also incorporate other relevant comments received from member States; and

19. The Guidelines on promoting People-first PPP Waste-to-Energy Projects for the Circular Economy will be further developed in 2021 based on comments from stakeholders.<sup>5</sup>

#### ***Capacity building<sup>6</sup>***

20. A capacity building project in Ukraine<sup>7</sup> to strengthen the capacity of public officials to develop and implement People-first PPP projects in line with the SDGs will be implemented in 2021 and 2022;

21. A capacity building initiative<sup>8</sup> to strengthen national capacities of public officials in ECE member States, in particular in Belarus, Kyrgyzstan, Tajikistan and Ukraine, to design and implement People-first PPPs will be implemented in 2021 and 2022; and

22. A capacity building project in Belarus and Kyrgyzstan to promote effective partnerships between the public and the private sectors through People-first PPPs<sup>9</sup> will be implemented in 2021 and 2022.

#### ***People-first Projects***

23. The work on the People-first PPP Evaluation Methodology for self-assessment of the project’s contribution to sustainable development is to be completed in 2021. In accordance with Annex II of the Report from the fourth session of the Working Party on PPPs, the Working Party will focus in 2021 on completing Phase II of the Evaluation Methodology for self-assessment of the project’s contribution to the SDGs, without engaging in or supporting any certification activities;

24. Provide support to Governments in self-assessing at least 30 PPP projects using the draft People-first PPP Evaluation Methodology during the testing phase before the adoption of its final (enhanced) version and using the adopted version thereafter; and

25. 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 sixth International PPP Forum in May 2022.

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<sup>5</sup> The Guidelines were submitted as a contribution to the high-level segment and cross-cutting theme of the 69<sup>th</sup> session of the Commission in April 2021 (as per Conclusion 2020 – 4.2 of the Working Party on PPPs).

<sup>6</sup> The capacity building is provided to support member States in implementing the Guiding Principles on People-first PPPs for the SDGs.

<sup>7</sup> The activities are part of the project “Developing and implementing the People-first PPP model for sustainable development in Ukraine” approved by the Executive Committee in 2020.

<sup>8</sup> The activities are part of the project “Strengthening national capacities of the ECE member States to design and implement People-first sustainable PPPs in infrastructure along the Euro-Asian Connectivity Strategy” approved by the Executive Committee in March 2021. The implementation of the project is subject to approval by the Steering Committee of the 2030 Agenda for Sustainable Development Sub-Fund of the UN Peace and Development Trust Fund.

<sup>9</sup> The project is part of a larger capacity building project from the 13<sup>th</sup> tranche of the Development Account with other implementation agencies (the Regional Commissions, UNCTAD and UN DESA) in coordination with the Resident Coordinators’ Offices and UNDP. The secretariat has received requests for this PPP support from the Governments of Belarus and Kyrgyzstan.