

ECONOMIC COMMISSION FOR EUROPE

EXECUTIVE COMMITTEE

124th meeting

Geneva, 30 September 2022

Item 5(a) of the provisional agenda

Informal document No. **2022/27**

**Meeting with the Chair of the Committee on Innovation,
Competitiveness and Public-Private Partnerships (CICPPP)**

Report by the Chair

Report by the Chair of the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP)

The Chair of the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP), Mr. Stefano Firpo (Italy), is pleased to submit his report to the 124th meeting of the Executive Committee on 30 September 2022.

I. Introduction

1. This report describes the main achievements of the CICPPP in the period from October 2021 to September 2022 as well as major activities planned for the remainder of 2022 and for 2023. More information is contained in the report of the CICPPP on its fifteenth session (ECE/CECI/2022/2), which was held on 25-27 May 2022 in Geneva in hybrid mode.
2. The CICPPP's activities in the reporting period are based on:
 - (a) The Programmes of Work of the Economic Cooperation and Integration (ECI) Subprogramme for 2021 and 2022 (ECE/CECI/2021/INF.6 and ECE/CECI/2021/9); and
 - (b) The Intersessional Implementation Plans for 2021-2022 and 2022-2023 (ECE/CECI/2021/2, Annex II and ECE/CECI/2022/2, Annex II).
3. The current organizational structure of CICPPP with its subsidiary bodies is presented in Annex I.

II. Achievements since October 2021

Innovation and Competitiveness

4. During the reporting period the Committee endorsed good practices emerging from the international policy dialogue at the Team of Specialists on Innovation and Competitiveness Policies (ToS-ICP) and the findings and recommendations of two Innovation for Sustainable Development (I4SD) Reviews, of the Republic of Moldova and Uzbekistan. Work on an interim progress report on the 2020 Innovation Policy Outlook (IPO) for Eastern Europe and South Caucasus was initiated. The Committee's work on innovation and competitiveness has triggered a range of reform initiatives; national and sub-regional action plans; and a range of requests for further ECE support and input to government and donor planning.
5. Innovation plays a critical role for the 2030 Agenda for Sustainable Development. The Committee's activities supporting innovation policy include international policy dialogue and the development of good practices; national I4SD Reviews – an in-depth analysis of national policies providing leading expertise and improvement-oriented recommendations in innovation policy; and national and sub-regional capacity building around specific reforms or instruments to enable and promote innovation across the economy and society. The latter work is reported in section VII below.
6. In a similar vein, and in line with the recommendations in a [2020 external evaluation](#), ECE has revamped its work on I4SD Reviews, gradually streamlining the overall approach and documenting the underlying methodology. Whereas only one review was previously possible every 12-18 months, the new optimised strategy containing similar features and the upgraded design, allows for up to three reviews to take place concurrently, alongside

other ECE's activities. ECE has also aligned its approach to I4SD Review follow up, with national capacity building involving trainings and outputs specifically targeting and stimulating ongoing reform efforts in the beneficiary countries.

Development of international good practices

7. Responding to the decisions of the sixty-ninth session of the Economic Commission for Europe, ToS-ICP's at its thirteenth session held an international policy dialogue on the topic "Leveraging Innovation for the Circular Economy". The discussion highlighted good practices on the Circular Economy across the ECE region with a focus on national innovation and Circular Economy strategies and roadmaps and support mechanisms for the private sector, particularly Small and Medium-sized Enterprises (SMEs). The lessons and good practices identified in the policy dialogue (ECE/CECI/2022/3) were endorsed by the Committee.

8. Further to the mandate given to ToS-ICP by the Committee, the ECE Task Force on Innovation Policy Principles developed an initial draft of high-level policy principles, which will subsequently be circulated for wider consultation and review.

National and sub-regional policy analysis and recommendations

9. The I4SD Review of Moldova was published, and the Government endorsed its key recommendations. Some of these recommendations have already served as impetus for policy reform, such as the introduction of innovation vouchers, projects to support young researchers, and improvements of the national innovation infrastructure.

10. The I4SD Review of Uzbekistan was published, and the Government endorsed its key recommendations. Discussions are underway with the Government on a capacity building programme to facilitate the implementation of selected policy recommendations. Work on I4SDRs for Ukraine and Armenia was initiated.

11. Work on an interim Sub-regional IPO and relevant follow-up activities to the IPO 2020 in close cooperation with participating Governments has been initiated and is expected to be completed in 2022.

Public-Private Partnerships (PPP)

12. The new focus of the work on Public-Private Partnerships (PPPs) is to support the use of PPPs by ECE member States to address a range of issues in the context of relevant cross-cutting Commission themes, sustainable economic recovery and reconstruction, corruption in PPPs, pandemic preparedness and response, food security, women's empowerment, and accelerating achievement of the SDGs in the ECE region. The ECE Guiding Principles on PPPs for the SDGs continue to provide the normative basis for the work on PPPs.

13. The five desirable outcomes for "PPPs for the SDGs" – as elaborated in the Guiding Principles on PPPs for the SDGs and approved by the CICPPP – have become an authoritative and highly respected source for policy makers on the appropriate institutional requirements for a PPP model aligned with the SDGs. Furthermore, a number of ECE countries are already implementing the PPP for the SDGs approach in their national policies and legislation to ensure that PPP projects are undertaken in full compliance with the SDGs.

14. In the reporting period, the PPP Evaluation Methodology for the Sustainable Development Goals and the new Rules of Procedures for the Working Party on PPPs were approved.

Development of standards, guiding principles, and recommendations

15. The Committee continued its work to elaborate international standards, guidelines, and policy recommendations on PPPs for the SDGs.

16. The PPP Evaluation Methodology for the SDGs (ECE/CECI/WP/PPP/2021/3) was approved by the CICPPP at its fifteenth session in May 2022. The Methodology was developed in two phases: Phase I in 2020 by a multi-disciplinary project team composed of over 100 experts; and Phase II in 2021 by a core group of experts working closely with the Bureau of the Working Party and the secretariat.

17. The work on the PPP/Concession Model Law (Model Law) has progressed during the reporting period and remains on track to be concluded in 2022. Phase I of the Model Law was concluded in 2020, and work on Phase II was concluded in April 2022 under the auspices of the Bureau in line with the Working Party decision and following a final round of consultations with the member States and other stakeholders between December 2021 and March 2022. A consolidated version of the Model Law was submitted by the Bureau to the CICPPP at its fifteenth session in May 2022. The CICPPP requested the Bureau of the Working Party, without revisiting the document, to clarify issues related to the comments by the interested parties and stakeholders and to resubmit it to the Working Party for decision at its sixth session in December 2022.

18. The Guidelines on Public-Private Partnerships for the United Nations Sustainable Development Goals in Waste-to-Energy Projects for Non-Recyclable Waste: Pathways towards the Circular Economy (ECE/CECI/WP/PPP/2022/3) were further developed and finalised in 2022 based on comments from stakeholders. The guidelines were submitted to the Working Party for decision at its sixth session in December 2022.

19. The Guidelines on promoting Circular Economy in Public-Private Partnerships for the United Nations Sustainable Development Goals (: ECE/CEC/WP/PPP/2022/4) were developed in 2022 and are on course to be submitted to the Working Party for decision at its sixth session in December 2022.

Analysis

20. The secretariat continued expanding the compendium of case studies as part of a campaign to collect 500 case studies that demonstrate the ECE PPP for the SDGs outcomes. Around 200 case studies have been collected so far, some of which have been measured and scored against the five PPP for the SDGs outcomes using the Evaluation Methodology.

III. Major activities planned for 2022 and beyond

Innovation and Competitiveness

21. The fourteenth session of ToS-ICP will be held in Geneva on 14-15 November 2022, including an international policy dialogue on innovation for digital and green transformations, which aims to generate inputs for the 70th session of ECE in 2023.

22. The 2022 session of the Working Group on Innovation and Technology for Sustainable Development of the United Nations Special Programme for the Economies of Central Asia (SPECA) will be organized together with the Economic Commission for Central Asia and the Pacific (ESCAP). A policy conference will be organised back-to-back with the session.

23. The Task Force on Innovation Policy Principles will continue its work on draft high-level policy principles on selected aspects of innovation for sustainable development under the auspices of ToS-ICP.

24. An I4SD Review of Armenia will be carried out. Work on a Review of Ukraine will proceed in consultation with the Government.
25. Regular policy dialogue 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 Outlook. A follow-up publication analysing three select policy issues in-depth will be published in 2022 under the guidance of the network.
26. Subject to demand from Governments, the Sub-regional IPO could be regularly repeated and extended to other country groups, such as the Western Balkans, and member States of the Special Programme for Economies of Central Asia (SPECA).
27. Work has been initiated on a new ECE Network on Transformative Innovation (ETIN) with extra-budgetary financing from Germany. The network will provide an additional platform for policy dialogue and mutual policy learning among innovation policy makers in the ECE region on how to accelerate sustainable development through innovation.

Public-Private Partnerships

28. The sixth session of the Working Party on PPPs will be held in Geneva in a hybrid format on 1-2 December 2022. The session will further advance the work on developing international PPP standards, guidelines, and recommendations on PPPs for the SDGs, in particular, the Model Law and two mandated guidelines on PPPs and the circular economy. Furthermore, work on standards and guides on green and sustainable PPP procurement and on digital transformation in PPPs for sustainable development will be decided by the Working Party based on proposals by its Bureau and on existing resources.
29. The seventh edition of the ECE International PPP Forum will be organised on 3-5 May 2023.
30. Demand-driven national and sub-regional PPP policy advisory and capacity-building activities will be held in 2022 and 2023 in ECE member States as part of ongoing capacity building projects.
31. Support will be provided by the secretariat to ECE member States in self-assessing their PPP projects using the Evaluation Methodology.
32. The campaign to reach 500 PPP for the SDGs case studies will continue, and additional case studies will be collected and presented at the seventh International PPP Forum in May 2023.

IV. Any proposed change to the subsidiary structure of the Committee

33. There are no changes proposed to the subsidiary structure of the Committee. The organizational structure of the CICPPP is shown in the annex to this report.
34. At its fifteenth session, the CICPPP adopted the Programme of Work of the Economic Cooperation and Integration (ECI) Subprogramme for 2023, as contained in document ECE/CECI/2022/5. The CICPPP also renewed the mandate of the Working Party on PPPs for an additional five years until 2027. The CICPPP recommended the above decisions to the Executive Committee for approval.

V. Follow-up to the 2021 session of the Economic Commission for Europe

35. Both workstreams covered by CICPPP, innovation and competitiveness, and PPPs, can be powerful drivers for circularity. CICPPP is giving effect to the Commission's decision through its respective two subsidiary bodies.

36. ToS-ICP has launched several activities on innovation for the circular economy aimed at mainstreaming circularity considerations into its work. Already as early as 2017, the ToS-ICP had adopted good practices and policy recommendations for innovation for sustainable consumption and production (ECE/CECI/2018/3). At its session in 2021, the Team took stock of progress in the region and recommend further action to go circular (ECE/CECI/2022/3). These recommendations were endorsed by the Committee at its fifteenth session. Where relevant, circular economy also is being integrated in I4SD Reviews.

37. The Working Party on PPPs at its fourth session, in December 2020 had recognised the Guidelines on Promoting People-first PPP Waste-to-Energy Projects for the Circular Economy (ECE/CECI/WP/PPP/2020/5) as a good basis for further development. A revised version of the Guidelines (ECE/CECI/WP/PPP/2022/3) was submitted to the Working Party for decision at its sixth session in 2022.

38. At its fifth session in November 2021, the Working Party held a policy discussion to explore the extent to which the PPPs for the SDGs can contribute to the circular economy agenda in a holistic matter, that is, by increasing the circularity in infrastructure and by implementing infrastructure for the circular economy and beyond towards a sustainable economy. The Working Party requested the secretariat to prepare a guide on promoting Circular Economy in Public-Private Partnerships for the United Nations Sustainable Development Goals for its sixth session in 2022.

VI. Inter-sectoral activities: new activities and/or progress in existing inter-sectoral activities

39. The Economic Cooperation and Integration subprogramme cooperates with the Trade subprogramme on a United Nations Development Account (UNDA) project on the circular economy transition. CICPPP and ToS-ICP are also exploring possibilities for cooperation with other subprogrammes, such as energy or transport, on the topics of transformative innovation and digital and green transformations. CICPPP and the Working Party on PPPs cooperate with the housing and land management component of the Housing, Land Management and Population subprogramme on the Forum of Mayors and on financing smart cities infrastructure.

VII. Technical cooperation activities

Innovation and Competitiveness

40. The secretariat supported the Government of Georgia with capacity building to implement policy recommendations on using public procurement to promote innovation that had emerged from the I4SD Review of Georgia and the IPO. A Handbook on

“Innovation-enhancing Procurement for Georgia” was published as part of this work. A study tour of Georgian officials to the Procurement Agency of Norway is planned for 2022.

41. As a follow up to the I4SD Review of Moldova and in order to support the implementation of the recommendations, a capacity building programme has been agreed with the Ministry of Education and Research. It focuses on enhancing innovation and technology transfer through assistance in the development of a dedicated Roadmap to be finalized by end of 2022.

42. A podcast series on “Innovation Matters” was created to further disseminate key concepts and findings in innovation policy.

Micro-, small and medium-sized enterprises (MSMEs)

43. A Handbook on “Supporting Innovative High-Growth Enterprises in Eastern Europe and the South Caucasus” was published to provide a reference resource for policy makers in the sub-region following a sub-regional capacity building programme held earlier in 2021.

Special Programme for the Economies of Central Asia

44. The SPECA Working Group on Innovation and Technology for Sustainable Development, which is managed jointly by ECE and ESCAP, adopted an Action Plan to support the implementation of the SPECA Innovation Strategy for Sustainable Development. This Action Plan was subsequently also approved by the SPECA Governing Council.

45. Sub-regional capacity building activities were carried out according to the Action Plan. These activities were based on two Handbooks on “Business Incubators to Promote Sustainable Development in the SPECA Sub-Region” and on “Supporting innovative high-growth enterprises in the SPECA Sub-Region”, which were published in 2021 and 2022.

46. ECE also supported the Government of Kyrgyzstan in creating a Roadmap for the Development of the Innovation Ecosystem of Kyrgyzstan through a dedicated capacity building programme. This roadmap responds to recommendations from the I4SD Review of Kyrgyzstan and contributes to the implementation of the SPECA Strategy on Innovation for Sustainable Development.

47. An additional Handbook on “New Innovation policy for Transition Economies” will be produced and provide the basis for additional national capacity building activities upon request from SPECA countries.

Public-Private Partnerships

48. The sixth edition of the ECE International PPP Forum was held in Barcelona, Spain, on 4-6 May 2022, co-organised by ECE and the IESE Business School, and with the support of the Barcelona City Council. The Forum addressed a number of current and emerging challenges and opportunities at both national and city level, such as climate change, the circular economy, digital transformation, green and sustainable PPP procurement, and the blue economy. As in previous editions, a highlight of the Forum was the presentation of 15 PPP projects from around the world. Each project was self-evaluated using the Evaluation Methodology. The Forum attracted over 400 participants, with close to 200 experts participating in-person, and 140 speakers and panellists during 20 sessions over three days: 7 policy debates; 8 parallel sessions; 1 roundtable discussion; and 4 side events. Three site

visits to operational PPP projects in the Barcelona area were organised by the Barcelona City Council for in-person participants.

49. A study visit to the “PPP Week” in Turkey was facilitated by the secretariat for Kyrgyz government officials to learn about PPP institutional capacity.

50. A webinar for PPP practitioners in Ukraine on the identification and preparation of PPP projects compliant with the SDGs was organised jointly with the Ukrainian Ministry for Development of Economy, Trade and Agriculture.

51. A capacity building event was organized in Spain for seven countries – Armenia, Georgia, Kyrgyzstan, Moldova, Tajikistan, Ukraine and Uzbekistan – on PPP projects and programmes and their links to the SDGs.

52. A virtual launch event for the PPP Evaluation Methodology for the SDGs was held for Government officials to promote its dissemination and use amongst PPP Units in the ECE 17 programme countries.

53. Overall, over 1,000 policy makers and practitioners from fifteen countries benefitted from PPP capacity-building and policy advisory activities.

VIII. Cooperation with other organizations

54. The established cooperation on innovation and competitiveness policies with ESCAP in the framework of SPECA will continue, including on the implementation of the Action Plan of the SPECA Innovation Strategy for Sustainable Development.

55. In the context of the IPO and the I4SD Reviews, ECE plans to further engage a range of partners systematically. The Joint Research Commission of the European Commission has been involved in the pilot IPO and in the Moldova I4SD Review and will be a partner in the 2022 update. The International Organisation for Migration is and will be a strong partner for growing work on engaging diaspora for innovation, as has been the case in a dedicated chapter of the Moldova I4SD Review. The ECE secretariat will continue to act as a peer reviewer for the “SME Policy Outlook” of the Organization for Economic Cooperation and Development (OECD). OECD will in turn serve as a peer reviewer for the update to the IPO planned for 2022. Synergies with the World Intellectual Property Organization will be further explored, namely how its Global Innovation Index data can inform the IPO, and vice-versa.

56. The secretariat will continue to engage with the Inter-Agency Task Team on Science, Technology and Innovation for Sustainable Development, including on capacity building.

57. In cooperation with the other four Regional Commissions, the United Nations Department of Economic and Social Affairs and the United Nations Conference on Trade and Development, ECE participates in a large capacity building project to promote effective partnerships between the public and private sector in countries.

58. Similarly, in cooperation with United Nations Development Programme, World Health Organization, United Nations Children's Fund, and the United Nations Resident Coordinator in Ukraine, the ECE participate in a comprehensive capacity building project

to strengthen the capacity of public officials in Ukraine to develop and implement PPPs in support of the SDGs.

59. In cooperation with the secretariat of the Interparliamentary Assembly of Member Nations of the Commonwealth of Independent States (CIS) and the European Bank for Reconstruction and Development, the ECE promotes international legal PPP best practices in the CIS region.

Annex

The organizational structure of the Committee on Innovation, Competitiveness and Public-Private Partnerships

