



Economic Commission for Europe

Committee on Innovation, Competitiveness and Public-Private Partnerships

Team of Specialists on Innovation and Competitiveness Policies**Fourteenth session**

Geneva (hybrid), 14 and 15 November 2022

Item 3 of the provisional agenda

Review of the work of the Team of Specialists on Innovation and Competitiveness Policies since its thirteenth session**Progress report on the UN-ECE Transformative Innovation Network****Note by the secretariat****I. Background**

1. On 16 December 2021, the Executive Committee of the United Nations Economic Commission for Europe (UNECE) approved the extrabudgetary project “Reinforcing the innovation ecosystem in the UNECE region to promote innovation and digital technologies for sustainable development and for the circular economy transition”, financed by the German Federal Ministry for Economic Affairs and Climate Action (BMWK). At its fifteenth session on 25 to 27 May 2022, the Committee on Innovation, Competitiveness and Public-Private Partnerships welcomed the new project.

2. At the core of the project is the UN-ECE Transformative Innovation Network (ETIN), which will bring together policy makers, innovation agencies, think tanks, entrepreneurs and experts from the region working in the field of transformative innovation.

3. Supporting innovation, and transformative innovation more specifically, is central to sustainable development. Bringing people out of poverty while carefully allocating finite resources and preserving the environment is only possible with innovation that allows us to produce more with less. However, transformative innovation is a result of continuous trial and error around ideas. Finding a productive role for government support, therefore, inevitably involves a switch from planning and technology towards a system that also allows for policy experimentation. Digital and green transformations will not only require new kinds of incentives and constraints, but also more elaborate processes for continuous learning; in other words, new innovative solutions of governance itself. This challenge is a matter of concern to all UNECE member States, with a range of initiatives and institutions set up over the past decade, such as the German Agency for Disruptive Innovation (SPRIND), and substantial momentum around concepts such as mission orientation, directionality, and the entrepreneurial state.

4. The objective of the project is to build the capacities of the UNECE member States to engage in truly transformative innovation, by building innovation ecosystems that can harness innovation and digital technologies for sustainable development, with specific focus on the transition towards a circular economy.
5. A core goal of the new network is to define how governments can most efficiently nurture broader and more systematic experimentation, in order to catalyse broader societal transformations, including around societal challenges.
6. UNECE will support and nourish ETIN through a series of meetings and activities around two workstreams:
 - i. Understanding the promise and peril of transformative innovation, and
 - ii. Strengthening the role of government and agencies promoting transformative innovation.
7. Each workstream will involve a range of regular events and joint activities for exchange of experience and peer learning, webinars, and podcasts on different topics. Under the first workstream, these activities will eventually culminate in a UNECE flagship publication scanning the horizon for the opportunities and challenges of transformative innovation.
8. The second workstream will specifically support innovation agencies by developing principles, case studies, and practices for the different functions such agencies should fill.
9. The project is based on certain principles to ensure that ETIN is sustainable and as beneficial to members as possible. In this vein, the project foresees substantial flexibility to ensure that activities: 1) are relevant, engaging, and informative; 2) create linkages and complementarities across activities and outputs; 3) are based on demand and common challenges; and 4) serve as a useful and impactful platform for knowledge exchange and peer learning. Project resources will be used in a flexible manner depending on the engagement, support and initiative of ETIN members, with the aim of streamlining activities and processes and relying more on support from ETIN members as the project progresses.

II. Initial consultations

10. To guide project activities, ETIN will assemble its members, including focal points from innovation agencies mandated to support transformative innovation, think tanks and research organisations providing analytical work and other actors working on the issue, for regular consultation.
11. On 5 of May 2022, UNECE organized a first consultation meeting for prospective ETIN members. Participants discussed common concerns, needs, and priorities where ETIN and project activities could play an important and relevant role in supporting member States, and provided initial momentum for ETIN to evolve into a vibrant platform for exchange and joint initiatives beyond the scope of the project.
12. On 9 June 2022, UNECE organized a consultation on the above-mentioned first workstream under ETIN. Building on the ambition to create synergies between the different activities of ETIN, it was decided that the innovation agency of Sweden, VINNOVA, and the innovation agency of the United Kingdom for social good, NESTA, would co-organize a pilot webinar on mission orientation and directionality in the first quarter of 2023. At the meeting, the participants also discussed a potential flagship publication, providing analyses on the definition of transformative innovation and its impact on societies. Over ten ETIN members presented ideas and suggestions for the publication and expressed their willingness to support it. The publication could explore the critical factors driving, or impeding, transformative innovation as a dynamic; and the different governance structures and policy measures that could accelerate transformative innovation processes. These overarching would be relevant to both developed economies and to economies in transition.

III. “Innovation Matters” podcast series

13. The Innovation Matters podcast series explores how innovation, or experimentation with ideas to create value, could drive progress towards the Sustainable Development Goals in the UNECE region and beyond.

14. The ambition is to provide UNECE policymakers and other stakeholders with a better understanding of how innovation is transforming our world, and the potential opportunities and challenges ahead. The episodes engage leading experts on different topics related to innovation, such as the platform economy, the fourth industrial revolution, and the rise of autonomous vehicles.

15. To date, six episodes have been released, with an additional 10 undergoing editing. The podcasts complement traditional means of communication (reports, policy papers, blogs, social media etc.) and allow to reach a wider audience in a more informal manner.

IV. ETIN launch

16. ETIN will be formally launched at a dedicated panel during the fourteenth session of the UNECE Team of Specialists on Innovation and Competitiveness Policies on 14 November 2022.

17. The panel discussion, with speakers from governments, innovation agencies and business, will dive deeper into the goals of ETIN, planned activities contributing to the implementation of the Sustainable Development Goals, and the niche of ETIN in the innovation policy space.
