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Programme of Work for 2025, Intersessional Implementation Plan for 2024-2025, and recommendations on key components of the Programme of Work for 2026

Supporting ECE member States in promoting innovation and Public-Private Partnerships for sustainable development: an overview of fundraising needs and opportunities

Note by the secretariat¹

I. Background

1. Innovation and Public-Private Partnerships (PPPs) are essential drivers of sustainable development, including its economic, environmental, and social dimensions. This is reflected in Sustainable Development Goal 17, which recognizes innovation and PPPs as means of implementation for the entire 2030 Agenda for Sustainable Development.

2. Over the past years, ECE has developed several new initiatives that have proven very useful to member States under the two main areas of work:

(a) On innovation for sustainable development, a new flagship Innovation Policy Outlook (IPO) has been rolled out, and the methodology for the already well-established Innovation for Sustainable Development Reviews (I4SDRs) has been refined. The I4SDRs and IPO serve to assess and monitor essential aspects of innovation-related policies, institutions, and processes in line with the ambition that the central aim of innovation policy should be to enable and catalyze experimentation with ideas that might otherwise be too risky for entrepreneurs to engage in but that have the potential for learning and positive spill-over effects. The roll-out and dynamism of the ECE Transformative Innovation Network has proven especially important also to developed member States, and as funding from Germany runs out at the end of 2024, ECE considers maintaining this momentum very important.

(b) On PPPs, ECE has developed standards, guidelines and tools to support member States using the PPPs for the SDGs approach to address a range of sustainable development issues and support the implementation of the 2030 Agenda for Sustainable Development. The ECE PPP for the SDGs approach has positively influenced PPP programmes in member States (including Belarus, Kyrgyz Republic, Ukraine, and Tajikistan). In particular, the ECE PPP and Infrastructure Evaluation and Rating System (PIERS): An Evaluation Methodology for the Sustainable Development Goals, the ECE Standard on PPP/Concession legal framework in support of the Sustainable Development

¹ This document has not been formally edited.

Goals and the ECE Standard on a Zero Tolerance Approach to Corruption in PPP Procurement are being used in member States. However, the ECE support to implement these PPP Standards, guidelines and tools can only be maintained with the necessary resources.

3. The present note aims to inform and engage delegates in the process of securing necessary extra-budgetary funding to continue activities and meet a range of requests from member States for support.

II. Major initiatives for which extrabudgetary funds will be needed over the coming year

4. Funding for two successful initiatives, the ECE Transformative Innovation Network (ETIN) (funded by Germany) and supporting innovation policy capacities in Eastern Europe and the South Caucasus (EESC) (funded by Sweden) will end at the end of 2024. Given the very strong momentum created and usefulness for member States demonstrated, ensuring that these be able to continue in 2025 and beyond is an essential concern that ECE strongly encourages member States to explore ways of enabling with sufficient means.

5. In addition, ECE has received requests for support from the Western Balkans and participating States in the United Nations Special Programme for the Economies of Central Asia, in particular for national I4SDRs and subregion-specific Innovation Policy Outlook activities.

6. Funding to evaluate and self-assess PPP and infrastructure projects using the PIERS methodology in two ECE member States, is available in 2024 and into 2025. Given the growing demand from ECE member States for assistance in self-assessing PPP and infrastructure projects and to provide trainings to public officials on the use of PIERS and other ECE policy guides, additional funding is urgently needed.

7. In line with these considerations and requests, developing and funding the following initiatives will be central:

(a) A follow-up project for countries in EESC, including a third iteration of the IPO, I4SDRs, frequent and regular online and physical dialogue, and joint activities with ETIN.

(b) With similar structure as for EESC but carefully adapted to features, concerns, and potential, a regional project for the Western Balkans, building on an emerging partnership with the Regional Cooperation Council (RCC) and two successful Western Balkans-specific events, the latter in May 2024 on innovation in services enabled by digital and frontier technologies.

(c) A third similar project for SPECA participating States and under SPECA ambitions and governance structure, potentially in cooperation with the Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations Industrial Development Organization (UNIDO), and others.

(e) Continuation and intensification of ETIN, which has discovered and met growing demand and proven highly useful to members, as demonstrated by the time they invest and the initiatives they drive. Funded by Germany, it will be essential to maintain the secretariat and find sources of funding in the short term.

(e) Support to requesting member States in self-assessing PPP and infrastructure projects using the PIERS methodology and quantifying their wider value to the communities that they serve, to ensure that infrastructure projects are sustainable and contribute to the 2030 Agenda.

(f) Review national PPP legal and regulatory frameworks to ensure that they provide adequate incentives to private investors while safeguarding the public interest in full alignment with the SDGs.

(g) Support requesting member States to implement the ECE 'PPPs for the SDG' suite of policy documents (standards, guides and recommendations on circular economy,

anti-corruption, recovery and reconstruction etc) into national policies to ensure that their PPP programmes are SDG compliant.

8. The ECE secretariat has launched a concerted effort to raise funding for the activities mentioned above, based on several discussions and donor mapping.

III. Next steps and the importance of support from member States and delegates

9. To address the growing demand for policy analysis, policy advisory services, project assessments and capacity building expressed by member States, and to help implement relevant decisions taken by the CICPPP at its fifteenth² and sixteenth sessions, the secretariat proposes the following plan of action:

(a) To continue developing and presenting concrete project proposals for prospective donors to assist ECE member States for 2025-2027 based on the above demand.

(b) To continue engaging with prospective donors to discuss cooperation.

(c) To enlist and work with member States through CICPPP delegates to approach prospective donors and stress the importance of ECE support for beneficiary countries.

(d) For ETIN, to explore the potential of a multi-donor fund to collect smaller contributions from active members that do not have the ability to fund a substantial engagement on their own.

10. The Annex contains a table with specific projects for which there is demand from individual countries and sub-regions with indicative funding needs.

² [ECE/CECI/2022/2](#), decisions 2022 – 5.4 and 2022 – 5.5

Annex

Planned activities, implementation subject to the availability of XB funds

<i>Member States</i>	<i>Technical assistance and capacity-building needs</i>	<i>Planned Deliverables</i>	<i>Fundraising needs (USD)</i>
Armenia	Armenia participated in the IPO assessment in 2020, and underwent an I4SDR in 2023. After the conclusion of the I4SDR of Armenia, UNECE plans to support the country in the implementation of review recommendations. The follow-up capacity-building support can focus on the following topics: <ul style="list-style-type: none"> • improving the collection and use of innovation statistics; • building mechanisms to coordinate and mainstream innovation across all government agencies; • expanding State support for innovation infrastructure and building a better legal and regulatory framework. 	Support for implementation of the I4SDR recommendations through a capacity building programme.	90 000
	Provide assistance with project preparation and delivery to ensure the sustainability of PPP projects and their compliance with the SDGs.	Training to public officials and advisory services on the development and delivery of sustainable PPP and infrastructure projects.	150 000
Azerbaijan	Azerbaijan participated in the IPO assessment in 2020. To sustain and advance the momentum created by the IPO, the Government of Azerbaijan has expressed interest in support from UNECE, in particular to review the impact of the policy and institutional changes. UNECE is looking to initiate an I4SDR review of Azerbaijan to address this demand and provide a detailed and updated overview of Azerbaijan's innovation ecosystem.	I4SDR of Azerbaijan.	240 000
Kyrgyzstan	Provide assistance with project preparation and evaluation to ensure the sustainability of PPP projects and their compliance with the SDGs.	Assistance to implement the policy recommendations on 8 evaluated PPP projects using PIERS to improve their sustainability.	150 000
Tajikistan	Provide assistance with project preparation and evaluation to ensure the sustainability of PPP projects and their compliance with the SDGs.	Evaluate a number of priority PPP projects and train public officials in the use of the PIERS methodology.	150 000
Turkmenistan	Innovation will be central for the diversification and greening of Turkmenistan's economy also in view of potential future WTO accession. Based on the strong momentum created by the above-mentioned visit to Ashgabat in November 2022, and the continued interest of the Government of Turkmenistan in a review of its national innovation system, the secretariat is looking for funds to launch the first I4SDR of Turkmenistan.	I4SDR of Turkmenistan.	240 000

<i>Member States</i>	<i>Technical assistance and capacity-building needs</i>	<i>Planned Deliverables</i>	<i>Fundraising needs (USD)</i>
	Provide assistance with the legal and regulatory framework to develop projects aligned with the SDGs. ³	Assist with the preparation of secondary legislation and implementation guides for public officials.	75 000
Ukraine	Ukraine participated in the IPO assessment in 2020 and is currently undergoing an I4SDR. With the initial stages of the research process of the I4SDR of Ukraine underway, the secretariat is looking to raise additional funds to better support the finalisation of the I4SDR, in the manner best responding to the current circumstances, and thereafter, to provide follow-up capacity building.	I4SDR of Ukraine; Capacity building to implement the I4SDR recommendations.	200 000
	Provide comprehensive assistance with project preparation and evaluation to ensure the sustainability of PPP projects and their compliance with the SDGs.	Evaluate a large number of priority reconstruction PPP projects using the PIERS methodology and provide trainings to public officials.	2 000 000
Uzbekistan	Through the I4SDR research process and extensive engagement with Uzbekistan through SPECA, UNECE has identified challenges in terms of skills gaps among public officials, entrepreneurs, and educators, which hinder the country's ability to fully harness innovation and sustainable development opportunities. The project aims to enhance innovation skills among entrepreneurs, public officials and educators through trainings, workshops, dialogue sessions, competitions, study tours, and more.	Capacity building programme.	300 000
	Provide assistance in waste management PPPs to ensure their sustainability and compliance with the SDGs.	Study on private sector participation in waste management PPP projects.	75 000
SPECA participating countries	There has been very strong interest from all the beneficiaries in the activities under the SPECA Network of Business Incubators and Accelerators for Sustainable Development. Over 100 participants joining each of the online trainings proposed by UNECE. There is wide recognition of the potentially significant contribution that innovative entrepreneurship can make to the achievement of the SDGs. To maintain momentum, and build on the initial success, UNECE plans to provide further capacity building for policymakers, entrepreneurs, educators and business support institutions.	Trainings and dialogue sessions for policymakers, entrepreneurs, educators, and business support institutions.	70 000
Sub-region: Western Balkans	The Western Balkan sub-region has made significant progress in innovation and sustainable development, but still faces challenges in export diversification towards high-value-added goods and innovation in non-ICT sectors. To address the demand of the	IPO of the Western Balkan sub-region with a focus on transformative innovation.	410 000

³ A fact-finding mission and a PPP seminar were held in Ashgabat, Turkmenistan on 18-20 October 2023 using RPTC funding.

<i>Member States</i>	<i>Technical assistance and capacity-building needs</i>	<i>Planned Deliverables</i>	<i>Fundraising needs (USD)</i>
	Western Balkan member States, the secretariat plans to conduct an IPO review of the sub-region. Based on the feedback from national stakeholders, the assessment would focus on transformative innovation to support the sub-region in building competitiveness and fostering cooperation especially in the context of the European Union accession. A UNECE IPO would be complementary to other initiatives in the region, by focussing on innovation governance, as well as how policy makers can foster transformative innovation specifically.		
Sub-region: Central Asia	Innovation is high on SPECA participating countries' policy agenda, yet innovation policy efforts are recent and rarely monitored and evaluated. Given the very positive response to the IPO (2020) publication in the sub-region of Eastern Europe and the South Caucasus, the progress achieved by those beneficiary countries since 2020, and the continued engagement of these countries in the follow-up policy dialogue process, UNECE sees great merit in carrying out a similar IPO for Central Asia. It could serve as a change management and policy monitoring/evaluation tool for practitioners, as well as support the implementation of the SPECA Innovation Strategy for Sustainable Development.	IPO of Central Asia.	560 000