Economic Commission for Europe

Committee on Innovation, Competitiveness and Public-Private Partnerships

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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

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 with 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 fifteenth 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.

2 ECE/CECI/2022/2, decisions 2022 – 5.4 and 2022 – 5.5