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**Economic Commission for Europe****Committee on Innovation, Competitiveness and Public-Private Partnerships****Team of Specialists on Innovation and Competitiveness Policies****Sixteenth session**

Geneva, 19 and 20 November 2024

Item 3 of the provisional agenda

**Review of the work of the Team of Specialists on Innovation and Competitiveness Policies since its fifteenth 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 (ECE) approved the extrabudgetary project “Reinforcing the innovation ecosystem in the ECE region to promote innovation and digital technologies for sustainable development and for the circular economy transition”. The German Federal Ministry for Economic Affairs and Climate Action (BMWK) financed this project. At its fifteenth session on 25 to 27 May 2022, the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP) welcomed the new project.

2. The objective of the project is to build the capacities of ECE member States to engage in innovation-driven sustainable transformations, by building innovation ecosystems that can harness innovation and digital technologies for sustainable development. This includes the focus on the transition towards a circular economy.

3. At the core of the project is the ECE Transformative Innovation Network (ETIN), which brings together policy makers, innovation agencies, think tanks, entrepreneurs and experts from the region working in the field of transformative innovation. ETIN is an ECE-coordinated strategic platform and meeting place for peer learning and a joint exploration of policies and practices for transformative innovation. Through evidence-based analyses and shared national and international experiences, ETIN aims to create additional value to its members in their experimentation with ideas to put these ambitions into practice.

4. Innovation-driven transformations are central for sustainable development and tackling manifold challenges. Bringing people out of poverty, within the constraints and limitations of resources and the absorptive capacity of ecosystems, is only possible with innovation or experimentation with ideas for creating more value with less resources. Transformative innovation is a result of continuous trial and error around ideas. It includes finding a productive role for government support. This also requires switching from planning and technology towards a system that also allows for policy experimentation, evaluation and learning; in other words, new innovative solutions of governance itself.

5. Responding to this imperative, ECE supports and nourishes ETIN through a series of meetings and activities around two work themes:
  - (a) Ecosystem development for transformative innovation, and
  - (b) Strategic learning for transformative innovation.
6. Each work theme is comprised of separate workstreams that focus on a particular area of each theme based on the demand and interest expressed by the ETIN membership. These workstreams are led by dedicated and engaged task forces that organise a range of regular events and joint activities for exchange of experiences and peer learning, webinars, and podcasts on different topics. Under the first work theme for ecosystem development there are two workstreams:
  - a) A work stream on using the potential of digital platforms for the transition towards circular economy. This workstream organised seminars, panel discussions and other types of informal meetings, focusing on several subtopics relevant to leveraging digital platforms for sustainable transformation.
  - b) A work stream on the potential of innovation-enhancing procurement (IEP) for sustainable transformations. This workstream organised a series of online seminars focusing on several case studies of IEP in Norway, Sweden, Georgia and the United Kingdom.
7. 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 are being 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. ETIN activities (Q4 2023 – Q3 2024)

8. Over the past year, ETIN has continued its ongoing work under the existing workstreams, has expanded its membership and has facilitated new collaborations to further explore the challenges and opportunities in implementing innovation for transformation. In addition to organising a broad range of activities and events, including regular episodes of the Innovation Matters podcast and Innovation Circle discussion series and contributing to and supporting the events of its members, ETIN has organised the first Transformative Innovation Action Forum. The Action Forum took place in Brussels in October and was co-organised together with the European Commission. The Action Forum was a culmination of insights and experiences exchanged through ETIN since its inception and represents a first stocktaking of common observations, principles and areas for future cooperation under the network. A detailed list of ETIN events and activities between November 2023 and November 2024 are listed below in chronological order.

### *ETIN initiated events*

9. A first category concerns activities that ETIN initiated, or co-organized with some of its members. The events are in chronological order:
  - (a) ETIN Seminar: The Definition and Inner Workings of Strategic Learning, 1 February 2024, online. As part of the workstream on the inner workings of strategic learning, this seminar focused on exploring the definition and implications of strategic learning on societal transformations via a structured discussion. It was based on and followed the discussions on strategic learning for transformation at the previous ToS-ICP session in 2023. Its aim was to develop an overview of trends and developments around strategic learning, specifically identifying the gaps that ETIN should focus on in its activities.

(b) IEP Seminar No.1: Assessing Demand Acceleration: A Dive into Scalability and Impact, 25 April 2024, online.<sup>1</sup> Based on the example of Demand Acceleration, an IEP framework implemented in Sweden, discussions showed that public procurement may act as an enabler for innovation to initiate transformation (rather than vice versa). Additionally, the innovation process needs to be co-creative, to which the scalability potential of innovations is vital. This seminar marked the beginning of a seminar series hosted by the ETIN taskforce on IEP to explore its impact on sustainable transformations and growth. The purpose of this seminar series is to boost the engagement between the ETIN experts, practitioners, and policymakers within the IEP workstream. The outcomes of this seminar series will feed into the ETIN policy paper on IEP for transformation.

(c) Two-days workshop: Unlocking Innovation in Services in the Western Balkans, 13 and 14 May 2024, in-person, Geneva, Switzerland, co-organized with the Regional Cooperation Council (RCC), the United Nations Trade and Development (UNCTAD) and the green economic development program RECONOMY. This was the second ETIN event for the Western Balkan region. Innovation being an essential element needed for the Western Balkans to capitalize on digitalization and dematerialization, this technical meeting explored the potential of innovation in the business process outsourcing (BPO) sector of the region. This event strengthened the cooperation between focal points from relevant innovation ministries and agencies in the Western Balkan economies. It provided recommendations and suggestions for further cooperation and exchanges around challenges and opportunities for innovation-led growth.

(d) IEP Seminar No.2: IEP Case Examples from Georgia and Norway, 4 June 2024, online.<sup>2</sup> As part of the IEP seminar series, this seminar is the continuation of the discussion on case examples for IEP. The discussions of this seminar compared the IEP support and development in Georgia and Norway, building on previous ECE support for Georgia on IEP. By leveraging the experiences gained through previous ECE support, this seminar provided ETIN members with the opportunity to examine the impact of implemented initiatives. Georgia has made significant stride towards developing the public procurement law, combined with an upskilling programme. Norway has procured over 400 innovative products since 2016, but scaling still presents itself as a challenge for public procurers. The outcomes of this seminar will feed into the ETIN policy paper on IEP for transformation.

(e) IEP Seminar No.3: Procurement and Innovation for Smart Sustainable Cities, 19 June 2024, online.<sup>3</sup> As the third in the ETIN seminar series and adding to the collection of IEP case examples, this seminar examined IEP in the United Kingdom. The UK has made significant efforts in mainstreaming data-driven and open approaches to IEP and has established cross-functional teams to ensure a co-creative process. The outcomes of this seminar will feed into the ETIN policy paper on IEP for transformation.

(f) ETIN Transformative Innovation Action Forum, 1-3 October 2024, Brussels, Belgium, in-person. This was a flagship and high-level ETIN event, co-organised together with the Joint Research Centre (JRC) and other representatives from the Directorate General for Research and Innovation (DG RTD) of the European Commission. This event solidified the exchanges and relationships between existing ETIN members, as well as identified new actors that expressed their interest to join ETIN. It also provided the opportunity for participants to review the past work of ETIN and identify key areas for the future work of the ETIN network in 2025 and beyond. A draft summary of the Action Forum discussions is included in the annex.

***ETIN activities and discussions organized as part of events organized by ETIN members and partners***

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<sup>1</sup> Recording available here:

<https://www.youtube.com/watch?v=Iyvjvp6viAA&list=PLPf4XIpNtbmZn9qg5UI8NFHV71eExnMNP&index=3&t=3s>.

<sup>2</sup> Recording available here:

<https://www.youtube.com/watch?v=B4cZgKpvMfA&list=PLPf4XIpNtbmZn9qg5UI8NFHV71eExnMNP&index=2>.

<sup>3</sup> Recording available here: [https://www.youtube.com/watch?v=kJq-](https://www.youtube.com/watch?v=kJq-17mdkFo&list=PLPf4XIpNtbmZn9qg5UI8NFHV71eExnMNP&index=1)

[17mdkFo&list=PLPf4XIpNtbmZn9qg5UI8NFHV71eExnMNP&index=1](https://www.youtube.com/watch?v=kJq-17mdkFo&list=PLPf4XIpNtbmZn9qg5UI8NFHV71eExnMNP&index=1).

10. In parallel ETIN has also contributed to the events of its membership and partners.

(a) Panel: Platform-driven Transition: Scaling Circular Solutions, 17 April 2024, hybrid, Brussels, Belgium, Accelerator Session by the Nordic Stage, World Circular Economic Forum (WCEF). The panel, joined by policy maker from the European Commission as well as private sector stakeholders, examined what opportunities there are for the platform economy to spur the circular economy transition. The session revealed that the circular transition needs to also consider the potential and need for market creation and changes in human behavior. Markets will play a critical role in circularity as they help coordinate activities such as matching supply and demand and creating synergies and spillovers between sectors. This panel discussion explored the policy environment in the EU for circular platforms, identifying the need to tailor policy support to enable their emergence and growth. This fed into the ETIN policy paper on circular platforms.

(b) Innovation Circle Special Episode: How Platforms Can Facilitate Reverse Logistics for the Circular Economy, 13 and 14 May 2024, in-person, Geneva, Switzerland. Circular platforms may facilitate and streamline the reverse logistics processes necessary to enable the efficient collection, sorting, and redistribution of used products and materials, ensuring they are returned to the production cycle rather than becoming waste. The latter is crucial to minimize resource depletion, reducing environmental impact, and creating a sustainable economic system. The discussions highlighted an additional area, crucial for sustainable development, which circular platforms could support. The outcomes of this discussion will feed into the ETIN policy paper on circular platforms for transformative innovation.

(c) Innovation Zero Global Congress, 30 April and 1 May 2024, in-person, London, United Kingdom.<sup>4</sup> Outcomes of the discussions will feed into the ETIN policy paper on strategic learning for transformation.

- i. Panel on the Potential of Platforms in Spurring the Circular Economy Transition in the EV Battery Sector, 30 April. Discussions showed a growing need to ensure sustainability in the EV battery sector, with EV production expected to grow significantly in the coming years and, against the backdrop of resource constraints, EV manufacturers are now facing the challenge of keeping up with the expected demand for EV batteries. Circular platforms represent a significant opportunity to connect battery manufacturers, recyclers, and end-users, ensuring efficient material recovery and minimizing waste.
- ii. Workshop on Strategic Learning for Transformative Innovation, 1 May. Strategic learning is a tool for exploration and decision making in long-term transformation processes characterized by uncertainty and complexity. Using concrete cases, workshop participants from the public and private sector discussed new and emergent needs and policies for learning to guide our efforts towards sustainability transformations, given the increased uncertainty and complexity that challenges pose today.

(d) Panel: The Many Purposes of Platforms Supporting the Circular Economy Transition, 29 May 2024, hybrid, Barcelona, Spain, the NTWK Summit 2024.<sup>5</sup> This panel discussion highlighted that the potential of the platform economy for transformations lies not only in the creation of circular markets for products and services, but also in their function as a space for knowledge exchange and learning through consultations and co-creation of initiatives and support. The discussions highlighted the importance of platforms for data sharing, collaboration, and continuous development of new innovative business models. The outcomes of this discussion will feed into the ETIN policy paper on circular platforms for transformative innovation.

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<sup>4</sup> ETIN organized two events to spur engagement: A panel discussion titled "The Potential of Platforms in Spurring the Circular Transition in the EV Battery Sector" and a workshop on "Strategic Learning for Transformative Innovation", as part of the respective ETIN workstreams.

### III. ETIN governance

11. To guide project activities, ETIN is led by regular monthly ETIN Core Group meetings and biannual ETIN consultation meetings. The Core Group consists of 15 members who are elected by the ETIN network and meet monthly to reflect on past ETIN activities as well as plan and coordinate upcoming activities and events. For the consultation meetings, the whole ETIN network is invited to a more general update on ETIN progress and the plans for future activities, where ETIN members can provide feedback, and suggest ideas both for the strategic development and the operational functioning of the network.

12. Outcomes of the consultation meetings between November 2023 and November 2024 include:

- On 7 December 2023, ETIN held its fourth consultation meeting, where discussions focused around the updates on ETIN activities since the second consultation meeting, planning for the next ETIN activities in Q1-Q2 2024 and the election of Core Group for 2024, based on the governance structure established and agreed upon with the ETIN network at the second consultation meeting in May 2023.
- On 27 June 2024, ETIN held its fifth consultation meeting to discuss updates and further preparations and ideas for ETIN Transformative Innovation Action Forum on 1 to 3 October 2024 in Brussels. A part of this meeting was also dedicated to exploring possible ways of ensuring the sustainability of the ETIN network in 2025 and beyond.

13. ETIN will hold its sixth consultation meeting at the beginning of December 2024 to reflect on the activities conducted since May 2024, including the Transformative Innovation Action Forum, held in Brussels, Belgium on 1-3 October.

### IV. ETIN “Innovation Matters” and “Innovation Circle” podcast series

14. In the period between November 2023 and November 2024 and complementing the activities outlined above, the ETIN network has continued to publish regular episodes of the Innovation Matters podcast series and the Innovation Circle discussion series. These series explore how innovation, or experimentation with ideas to create value, could drive progress towards the Sustainable Development Goals in the ECE region and beyond.

15. The ambition of the Innovation Matters podcast series is to provide ECE 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, artificial intelligence, the fourth industrial revolution, and the rise of autonomous vehicles. The Innovation Matters series has released 29 episodes to date, with additional ones undergoing editing (see annex).

16. The Innovation Circle discussions complement the more theoretical exchanges of the Innovation Matters episodes by looking into more practical case studies and examples, led by ETIN members themselves. The Innovation Circle series has released 15 episodes to date with several in planning (see annex).

### V. Charting the ETIN way forward (2025 and onwards)

17. With the success of the Transformative Innovation Action Forum, ETIN reached a major milestone. The Action Forum documented the clear relevance, direct impact and future potential of ETIN. The Forum also marked the beginning of broader and continued collaboration under ETIN.

18. In the immediate future, ETIN will focus on a number of specific, short-term activities. These include:

- Finalizing the proposed Transformative Innovation Action Forum Charter that embodies co-created observations, messages, and principles for leveraging innovation-led transformations;
- Continuing the release of regular Innovation Matters and Innovation Circle episodes to explore potential areas of transformative innovation for future ETIN activities, maintain the momentum and discussions created in the first phase of the network, as well as engage existing and new ETIN members;
- Continuing online meetings, webinars and seminars to further develop the ideas and areas identified through the regular podcast discussions;
- Initiating work, beyond only online meetings, on specific new focus areas that have received particular interest from ETIN members, for example on policy innovation for sustainable transformations and place-based innovations.

In the short and medium term, the objective is to maintain the current momentum and scale ambitions and activities, in close cooperation and synergies with ETIN members and other relevant work streams. The ETIN discussion at the 16<sup>th</sup> session of ToS-ICP will offer an opportunity to discuss the future of ETIN.

In the long term and based on the successful delivery of the activities under the XB project E388, attention will shift to ensuring the sustainability of ETIN beyond its initial XB project-based structure. The secretariat invites donors and development partners to cooperate with ECE in this promising endeavour.

## Annex 1. Published “Innovation Maters” podcasts (as of 23 October 2024)

	Title	Guest	Date of release
1	The Platform Economy - Revolutionizing How We Produce, Consume and Progress Towards Circular Economy	Michael Munger	31.05.2022
2	Post-Socialist Transition 30 Years On: The Importance of Furthering Broad Innovation to Progress Towards Agenda 2030	Aleksandr V. Gevorkyan	09.06.2022
3	The Innovation Paradox - Innovation in Transition Economies	William Maloney & Xavier Cirera	22.07.2022
4	The Rise of The Global Digital Economy & The Lessons Transition Economies Could Learn from East Asia	Carin Holroyd & Ken Coates	07.07.2022
5	Holistic Innovation Policy and The Governance of National Innovation Systems	Charles Edquist	10.08.2022
6	Trending Local and Regional Gardens of Innovation to Accelerate Sustainability Transition	Cristina Chaminade	06.10.2022
7	The Innovation Commons: An Old Idea That Will Drive Transformative Innovation	Jason Potts	02.11.2022
8	Cities As Testbeds of Innovation to Drive Sustainable Development	Susan Borrás	14.12.2022
9	Supporting Transformative Innovation & Entrepreneurship for Sustainable Development	Barbara Diehl	06.02.2023
10	Openness To Creative Destruction - Lessons from The Past for The Transformative Innovation of The Future	Arthur Diamond	24.02.2023
11	The Role of Government in Fostering Entrepreneurship and Innovation	Josh Lerner	13.07.2023
12	Shaping Long-Term Societal Development	Philip Auerswald	15.08.2023
13	Automation And Utopian Future	John Danner	06.09.2023
14	Converging Technologies and Transformation	Steven Kotler	13.10.2023
15	Permissionless Innovation (Part 1)	Adam Thierer	08.11.2023
16	Law And Incentivizing Innovation in An Age of Digitalization	Robin Feldman	22.11.2023
17	Permissionless Innovation (Part 2)	Adam Thierer	06.12.2023
18	Innovation in the Industrial Revolution	Emma Griffin	20.12.2023
19	Life in the Industrial Revolution	Emma Griffin	10.01.2024
20	Politics of Innovation	Mark Zachary	14.02.2024
21	Capitalism and Innovation	Rainer Zitelmann	15.03.2024
22	Innovation Policy	Anders Kärnä	01.05.2024
23	Innovation Renaissance	Alex Tabarrok	15.05.2024
24	Open Innovation	Henry Chesbrough	21.06.2024
25	Exploring the Evolutionary Theory of Economics	Jason Potts	02.07.2024
26	Resource Efficiency and Availability	Marian Tupy	26.07.2024
27	Innovative Dynamism	Arthur Diamond	18.09.2024
28	New Frontier for Global Innovation	Chris Berg	27.09.2024
29	Rules for Innovation in a Flat World	Gillian Hadield	22.10.2024
30	Attitudes and Resistance to Capitalism and Innovation	Rainer Zitelmann	tbd
31	Rules for Innovation in a Flat World	Gillian Hadield	tbd
32	Innovation and the State and Related Topics	Dan Bretnitz	tbd
33	Indigenous Innovation and Recent Autobiography	Edmund Phelps	tbd
34	New Innovation Policy	Michael Munger	tbd
35	Why Information Grows	Cesar Hidalgo	tbd
36	Culture of Growth and Innovation	Joe Mokyr	tbd

## Annex 2. Published “Innovation Circle” podcasts (as of 23 October 2024)

	Title	Guest	Date of release
1	What is Transformative Innovation?	Immanuela Badde (moderator) Björn-Ola Linnér (guest)	15.11.2023
2	Strategic Learning	Mikael Román (moderator) Kirsi Hanhisalo & Alex Glennie (guests)	29.11.2023
3	Transforming Mature Industries	Elisabeth Türk (moderator) Göran Nyström (guest)	13.12.2023
4	Transformative Innovation in Transition Economies	Jakob Fexer (moderator) Bojana Femić-Radosavović (guest)	14.02.2024
5	Transforming Public Procurement	Ralph Heinrich (moderator) Lina Svensberg & Jakob Lindvall (guests)	18.02.2024
6	Transforming the Future	Dmitry Mariyasin (moderator) Dominique Foray (guest)	13.03.2024
7	Transformative Investment	Victoria Shaw (moderator) Roberta Benedetti del Rio & Johan Schot (guests)	27.03.2024
8	Strategic Learning: Managing an Unpredictable Future	Kjell Håkan Närfelt (moderator) Leonard Kelleher (guest)	09.04.2024
9	Social Entrepreneurship	Immanuela Badde (moderator) Maja Andjelkovic (guest)	24.04.2024
10	Shaping Europe’s Innovative Future	Mikael Román (moderator) Jorge Arbache (guest)	08.05.2024
11	Reverse Logistics for the Circular Economy	Immanuela Badde (moderator) Richard Bulger & Peter Evans (guests)	22.05.2024
12	Innovation Commons	Lina Svensberg & Anders Jonsson (moderators) Jason Potts (guest)	12.06.2024
13	Mission-Oriented Approaches and Transformative Innovation Policy	Nikolai Weissert (moderator) Daniel Posch (guest)	04.09.2024
14	Enabling Learning in Transformative Innovation Missions	Alex Glennie (moderator) Abigail Stocker (guest)	18.09.2024
15	ETIN Transformative Innovation Action Forum	Mikael Román (moderator) Cristian Matti, Lina Svensberg, Jakob Lindvall, Bianca Cavicchi, Peter Evans, Igor Czermanski, Kjell Håkan Närfelt, Elisabeth Türk (guests)	17.10.2024
16	Importance of Networks and International Organizations in Driving Transformative Innovation	Leonard Kelleher (moderator) Marina Planas & Jessica Ambler (guests)	13.11.2024
17	Angel Funding	Bojana Femić-Radosavović (moderator) Maria Carolina (guest)	27.11.2024