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Team of Specialists on Innovation and Competitiveness Policies

Fifth session

Geneva, 12–13 April 2012

Report of the Team of Specialists on Innovation and Competitiveness Policies on its fifth session

I. Attendance

1. The Team of Specialists on Innovation and Competitiveness Policies (TOS-ICP) held its fifth session on 12 and 13 April 2012. Around 100 experts representing government agencies, academic institutions and the private sector from twenty-four UNECE member States, as well as international organizations and agencies participated in the session.

II. Adoption of the agenda and election of officers (agenda item 1)

2. The provisional agenda (ECE/CECI/ICP/2012/1) was adopted.

3. The Team elected Mr. Ivan Bortnik (Chairman of the Supervisory Board of the Foundation for Assistance to Small Innovative Enterprises, Russian Federation) and Mr. Charles Wessner (Director of the Technology, Innovation and Entrepreneurship Programme, National Academy of Sciences, United States of America) as new Vice-Chairpersons. The Team noted down that Mr. Albert Link, Professor of Science and Technology Policy, University of North Carolina at Greensboro, United States of America, cannot continue to be an active member of the Bureau of the TOS-ICP due to other commitments and relieved him of his duties as Vice-Chairperson. The Team expressed its gratitude to Mr. Link for his service to the Bureau. Ms. Liudmila Musina, Vice-Chairperson of the TOS-ICP, chaired the fifth session of the Team.

III. Substantive segment (agenda item 2)

4. The presentation of the UNECE publication “Innovation Performance Review of Kazakhstan” took place as part of the substantive segment of the session. This final version

reflected feedback received during the multi-stakeholder discussion of the draft conclusions and recommendations at the sixth session of the Committee on Economic Cooperation and Integration (ECE/CECI/2011/2). The participatory policy advisory services leading to this publication were carried out by a group of international experts and experts from the UNECE secretariat in close cooperation with the national authorities and local experts, responding to a request by the Government of the Republic of Kazakhstan.

5. The Permanent Representative of the Republic of Kazakhstan to the United Nations Office at Geneva stressed that the Review is timely and relevant to the ongoing State Programme for Accelerated Industrial Innovative Development of the Republic of Kazakhstan, which seeks to build a knowledge-based economy. Relevant ministries and actors in the innovation system will use the Review's findings to advance this goal. The findings of the Review are expected to be useful to other member States dealing with similar issues. The representative of the Ministry of Industries and New Technologies of the Republic of Kazakhstan mentioned that the outcomes of the Review will be used as a basis for developing concepts and policies for technological innovation in Kazakhstan in the years to come, in particular in connection with the long run strategy "Kazakhstan 2030".

6. The representative of the Eurasian Development Bank, which has supported financially the implementation of the Innovation Performance Reviews of Belarus and Kazakhstan, emphasized the value of these policy advisory services. He mentioned the willingness of the Bank to continue to support these projects, which are useful in developing strategies and implementing initiatives for innovative development.

7. The second part of the substantive segment included the Applied Policy Seminar "Policies for Innovation in the 21st Century: Building Strategies for Regions of Innovation". The discussions were organized in three sessions, with a number of presentations by participating experts.¹

8. The main areas covered in these three sessions were:

- (a) Linkages, collaboration and alliances for regional innovation;
- (b) Regional strategies for innovation; and
- (c) Country experiences, city strategies and sector approaches.

9. The mobilization of regional assets and the implementation of regional development strategies draw often on various forms of collaboration between innovation stakeholders, which have sometimes a cross-border dimension. Participants discussed:

(a) The problems of lagging economies and how to devise a strategy for development which relies on the absorption of external knowledge and the imitation of products, technologies and business models in more advanced economies through increased economic openness and the creation of a basic infrastructure that facilitates collaboration and exchanges;

(b) The role of crises as a catalyst for the development of regional policies, as a reaction to forced restructuring and the desire to develop or retain competitive advantages in challenging conditions;

(c) The importance of institutions to determine the scope and efficiency of policies;

¹ All the presentations made can be found at <http://www.unece.org/index.php?id=28471>

(d) The experiences of Living Labs as drivers of regional innovation and cross-border collaboration. Living Labs are open user-driven innovation systems that seek to engage and motivate all the stakeholders, create lead markets and facilitate changes in behaviour through a collaborative approach;

(e) The role of extended innovation alliances to overcome development challenges in backward regions, with particular application to the German experience. These alliances focus on the potential of trans-regional cooperation and collaboration between regions with different levels of development to foster innovation. While geographic proximity is not a necessary condition for success, clear contractual set-up and pro-active management of these alliances is required;

(f) The importance of paying attention to the possibilities for collaboration across sectors and technologies, leading to a more comprehensive view of the innovation potential, which should be associated with an emphasis on strategic planning and decision-making;

(g) The need to support local and regional actors to have access to global knowledge and resources, as a necessary condition to foster innovation;

(h) The instruments and mechanisms to facilitate the emergence of global players from regional innovation systems, which often have a collaborative component;

(i) The institutional structures that contribute to create and encourage participation of different innovation stakeholders in organized frameworks for cooperation; and

(j) The role of information and communication technologies to facilitate collaboration and knowledge-sharing among different actors and the emergence of virtual communities leading to effective matchmaking of partners.

10. Regional strategies need to acknowledge the diversity of regional situations and draw on local strengths. Participants discussed different issues related to the design of regional innovation strategies and the context in which they are implemented:

(a) The impact of decentralization on economic performance and innovation;

(b) The rising relevance of the regional dimension on national innovation strategies;

(c) The interrelation and complementarity between different types of instruments used at both the national and regional levels;

(d) The different types of coordination mechanisms used to ensure alignment of objectives and synergies between national and regional interventions;

(e) The need to avoid an excessive focus on high-tech, to involve the private sector and to overcome administrative boundaries when designing regional innovation strategies;

(f) The necessary focus on overall knowledge absorption and diffusion determinants and, therefore, on the connectivity of the various elements of regional innovation systems and their external openness;

(g) The investment priorities of the European Regional Development Fund for 2014-2020 and the conditionalities in the provision of its resources;

(h) Different aspects related to the development of regional innovation strategies for smart specialization. These include public support to a process of entrepreneurial discovery that capitalises on existing strengths and seeks to facilitate collaborative leadership of this process and provide necessary complementary inputs in the innovation

process. Critical dimensions of these strategies are appropriate stakeholder involvement and the synergy between different sources of funding and instruments;

- (i) The development of practical self-assessment tools to help regions to draft smart specialization strategies;
- (j) The diversity of governance structures in regional innovation systems; and
- (k) The mechanisms of support to innovation in the regions in the Russian Federation, the interaction between the centre and the regions, and the formation of suitable integrated indicators of innovation performance.

11. A number of presentations were made on different national policy experiences and sectoral strategies. The questions discussed included:

- (a) The relevance of overall framework conditions for innovation, including a strong intellectual property regime, entrepreneur-friendly policies and social norms that encourage risk-taking and trust;
- (b) The innovation strategy launched in the United States that includes investments in research, technology development and commercialization and incorporates the development of innovation clusters as one of its key elements. New federal initiatives are targeting regional clusters in a number of key sectors;
- (c) The importance of the collaboration between the public and private sectors to strengthen linkages within clusters and the need to develop synergies between central and regional interventions;
- (d) The initiatives to foster innovation in the region of Andalusia in Spain through public investment and the associated challenges to generate positive spillovers, strengthen linkages and increase private demand for innovation;
- (e) The strategies developed in Barcelona to create a smart city that serves as a platform for the knowledge economy, through the provision of appropriate infrastructures, the retention and attraction of talent and the attention paid to social environment aspects;
- (f) The development of next generation biofuels as an instrument to foster innovation in a critical sector with important regional implications, including in rural areas;
- (g) The challenges of developing effective regional innovation strategies in Greece, given the constraints created by the financial crisis; and
- (h) Recent initiatives in the area of innovation in Uzbekistan, including a characterization of the major regional innovation clusters in the country.

12. Moderators thanked speakers and acknowledged the good work of the secretariat in organizing the policy seminar. Team members were encouraged to benefit from the outcome of the discussions and the circulated material in their future work.

IV. Review of the implementation of the programme of work since the fourth session and review of the activities of the Team of Specialists on Innovation and Competitiveness Policies since the 2005 ECE reform (agenda item 3)

13. The secretariat briefed the Team members on the outcomes of the activities carried out since the fourth session, which included two international conferences, as well as advisory work to member States in the area of innovation policy:

- (a) Contribution to the International Conference “Promoting Eco-innovation: Policies and Opportunities”, Tel Aviv, Israel, 11-13 July 2011 (ECE/CECI/CONF.10/2);
- (b) Contribution to the International Conference on Knowledge-based Development and Innovative Entrepreneurship, Baku, Azerbaijan, 24-25 November 2011 (ECE/CECI/CONF.13/2);
- (c) Policy options to foster the financing and development of clean technologies (ECE/CECI/2011/3);
- (d) Presentation of the Russian version of the Innovation Performance Review of Belarus (ECE/CECI/11) in Minsk, 25 October 2011;
- (e) Innovation Performance Review of Kazakhstan (ECE/CECI/14), which was discussed at the sixth session of CECI and presented to the fifth session of TOS-ICP; and
- (f) Contribution to the review of the draft Innovation Strategy of the Republic of Moldova, Chisinau, 27 October 2011.

14. The Team was informed on important recent developments related to the 2011-2012 Review of the 2005 ECE Reform, including the modalities of the Review, as agreed by the Executive Committee. The secretariat introduced document ECE/CECI/ICP/2012/3 that contained a synthesis of the work on innovation and competitiveness policies since the 2005 ECE reform. It was noted that the Team has been increasingly engaged in advisory work and capacity-building activities, which have been made possible thanks to the growing success in raising extrabudgetary funding.

15. The Chairperson expressed satisfaction as to the outcomes and the work carried out, stating that the TOS-ICP has effectively responded to the needs of countries with economies in transition, in accordance with its mandate. TOS-ICP has been useful, and its policy recommendations, advice and activities have been of great value to member States.

V. Implementation plan for 2012-2013 (agenda item 4)

16. The secretariat informed members of the Team on the ongoing review of the activities of the UNECE and its potential implications for the future work of the Team. The secretariat also informed members of the Team on the relevant outcomes of the sixth session of the Committee on Economic Cooperation and Integration (CECI), including the adoption of the Programme of Work of CECI for 2012-2013 (ECE/CECI/2011/5).

17. At its sixth session, CECI noted with satisfaction the work carried out by the TOS-ICP and its other CECI Teams of Specialists. The Committee also took note of the position of the Executive Committee (EXCOM) that "... the relevant existing subsidiary bodies should continue to function until the end of the review process and do not need further approval for their extension from EXCOM" (EXCOM Informal document No. 2011/21).

18. The Programme of Work of CECI for 2012-2013 (ECE/CECI/2011/5) was adopted at its sixth session. In line with the recommendations of the Executive Committee, the programme is presented in a new format, with activities being grouped into clusters with specified expected outcomes. Four thematic areas (innovation and competitiveness policies; entrepreneurship and enterprise development; financing innovative development and intellectual property for knowledge-based development) are integrated into one broad cluster "promoting innovation and knowledge-based development".

19. In accordance with the modalities of the 2011-2012 review of the 2005 ECE reform, the programmes of work of CECI and the other UNECE sectoral committees will be submitted for approval to the Executive Committee in the last quarter of 2012.

20. The Chairperson invited reactions to the brief provided by the secretariat. The Team was satisfied with the explanations provided.
21. The Team discussed the implementation plan for the work envisaged for 2012 in accordance with the programme of work of the UNECE Committee on Economic Cooperation as agreed at its sixth session.
22. In accordance with this programme of work, the Team is expected to contribute to policy-oriented events under the common theme "Policies for Innovation and Knowledge-based Development in the 21st Century", which will provide inputs for publications and information materials. Proposed topics include, among others, the territorial aspects of innovation, which was the subject of the Substantive segment of the fifth session of the TOS-ICP, and innovation in the public sector.
23. The preparation of national Innovation Performance Reviews, subject to the demand of interested countries and the availability of resources to conduct them, has become an important focus for the activity of the TOS-ICP, in cooperation with other CECI Teams of Specialists and networks of experts in other thematic areas.
24. The Government of Ukraine expressed its interest in the undertaking of an Innovation Performance Review in 2012. At the sixth CECI session, the delegations of Azerbaijan and Moldova also invited the secretariat to consider undertaking innovation performance reviews of their countries.
25. The secretariat informed the Team that preparatory work has already started on the realization of the Innovation Performance Review of Ukraine, in close cooperation with the authorities of Ukraine and the main partner in this participatory policy advisory project, the State Committee of Ukraine on Science, Innovation and Informatization.
26. The Team is also expected to contribute to follow-up activities regarding the Innovation Performance Reviews of Belarus and Kazakhstan. The secretariat informed the Team that a memorandum was concluded with the State Committee on Science and Technology of the Republic of Belarus regarding these activities. The delegate of Ukraine requested the secretariat to plan joint activities to implement recommendations of the Innovation Performance Review of Ukraine, once this is concluded, so that the country could actively enhance its innovation performance.
27. The secretariat also informed the Team on the UNDA project "Building the Capacity of SPECA Countries to Adopt and Apply Innovative Green Technologies for Climate Change Adaptation". The objective of the project is to strengthen the capacity of the SPECA member countries to adopt and apply innovative green technologies for climate change adaptation and sustainable knowledge-driven growth. Implementation of this project is expected to begin in the last quarter of 2012 and will conclude by the end of 2013.
28. The Team is also expected to contribute to various initiatives to improve communication and outreach, including:
- (a) Policy briefs on selected topics related to the knowledge-based economy, building on the outcomes of meetings (electronic format); and
 - (b) A regular newsletter on innovation-related issues, presenting the activities of the subprogramme, which may be open to external contributions.
29. The first in the series of policy briefs, which will be issued under the title "Knowledge-based Development Policy Dispatches", was presented to the Team. This brief builds on the document presented at the sixth session of CECI "Policy options to foster the financing and development of clean technologies" (ECE/CECI/2011/3).
30. The Team is also expected to contribute to integrated, cross-cutting or thematic subregional capacity-building and knowledge sharing conferences and workshops on

policies for promoting innovative, knowledge-based development, subject to demand from member States and the availability of extrabudgetary funding.

31. The Chairperson encouraged the participation of the Team members in these events and thanked the secretariat for the high quality of the documents produced.

VI. Other business (agenda item 5)

32. The Team agreed that its next meeting be held tentatively on 9-10 May 2013, pending a decision on the frequency of the sessions and the mandate of the Team and confirmation on the availability of a room for these dates. Any changes in these tentative dates will be determined on discussions with the Bureau.

33. Participants agreed that the secretariat should prepare the session's report no later than 10 days following the meeting and that it be reviewed and adopted by the Bureau members on behalf of the Team. The report would then be circulated to all members of the Team.
