

**Economic and Social Council**Distr.: General
4 December 2019

Original: English

Economic Commission for Europe

Committee on Innovation, Competitiveness and Public-Private Partnerships

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

Geneva, 5–6 December 2019

Item 3(b) of the provisional agenda

Review of Work Team of Specialists on Innovation and Competitiveness Policies**Discussion on the draft methodological guide for the national
Innovation for Sustainable Development Reviews**

Note by the secretariat

I. Introduction

1. In 2011, ECE under the auspices of the Committee on Innovation, Competitiveness and Public Private Partnerships and the Team of Specialists on Innovation and Competitiveness Policies initiated a programme of national Innovation Performance Reviews.
2. Based on requests from Governments, these Reviews, which are undertaken by international expert teams in close cooperation with national focal points, provide an analysis of national innovation policies and performance in light of international good practices as developed by ECE, derive recommendations for improving innovation policies, and then offer follow-up policy advice and capacity building to facilitate implementation of policy reforms.
3. In response to the 2030 Agenda for Sustainable Development in 2015, which identifies innovation as one of 17 Sustainable Development Goals, and also as a key means of implementing the Agenda as a whole, ECE has incorporated sustainable development aspects into its work on innovation, including the Reviews, re-positioning them as Innovation for Sustainable Development Reviews. The new approach was applied for the first time to Belarus in 2016, and then to Kyrgyzstan in 2017.



4. At its eleventh session, the Team of Specialists on Innovation and Competitiveness Policies held a discussion on possible modifications to the Review methodology with a view to (i) mainstreaming sustainable development more fully into the reviews, and (ii) incorporating recent advances in thinking about innovation policy, including lessons learned from past Reviews, while ensuring consistency with new lines of work to be undertaken by the Team, particularly the sub-regional Innovation Policy Index and Innovation Policy Principles.
5. The present note proposes an outline for a methodological guidebook for future Reviews.

II. Purpose of the methodological Guidebook

6. The guidebook will provide
 - (i) institutional memory for the secretariat
 - (ii) guidance for (new) external authors of individual chapters of reviews
 - (iii) guidance for external peer reviewers of individual reviews
 - (iv) guidance and knowledge transfer for focal points and implementing partners in review countries
 - (v) while ensuring comparability of reviews across countries and with sub-regional Innovation Policy Outlooks

III. Proposed draft outline of the Guidebook

GUIDEBOOK ON NATIONAL INNOVATION FOR SUSTAINABLE DEVELOPMENT REVIEWS

- A. INTRODUCTION
 - B. INNOVATION FOR SUSTAINABLE DEVELOPMENT
 - C. DEFINITIONS
 - D. INNOVATION AT DIFFERENT STAGES OF ECONOMIC DEVELOPMENT
 - E. NATIONAL INNOVATION SYSTEMS
 - F. INNOVATION PERFORMANCE
 - G. INNOVATION POLICY
 - H. STRUCTURE OF THE I4SD REVIEWS
 - I. THE I4SD REVIEW PROCESS
 - J. IMPLEMENTATION AND FOLLOW UP
- ANNEX
- REFERENCES
- CONTACTS

IV. Annotations to the outline

GUIDEBOOK ON NATIONAL INNOVATION FOR SUSTAINABLE DEVELOPMENT REVIEWS

A. INTRODUCTION

Mandate, scope, purpose of UNECE Innovation for Sustainable Development Reviews; differentiation from other reviews

B. INNOVATION FOR SUSTAINABLE DEVELOPMENT

1. The role of science, technology and innovation in the 2030 Agenda
2. Country ownership and voluntary national reviews

C. DEFINITIONS

1. Innovation vs science, research, inventions; technological vs non-technological innovation; differences between global, national, sectoral, firm-level innovation; innovation in the private and the public sectors
2. National Innovation Systems

D. INNOVATION AT DIFFERENT STAGES OF ECONOMIC DEVELOPMENT

1. Innovation leaders vs innovation followers
2. Frontier innovation vs importing and adapting
3. High-income vs upper-middle income vs lower middle-income vs low income countries
4. Sources of foreign knowledge and technology, importance of diffusion
5. Entering and moving up in cross-border value chains
6. Special circumstances of economies in transition/ countries in the UNECE region

E. NATIONAL INNOVATION SYSTEMS

1. Demand-led or circular, rather than science-push innovation
2. Actors in the innovation process
Including an emphasis on possible differences as a function of the level of development
3. Financing of innovation
Including an emphasis on possible differences as a function of the level of development
4. Intermediaries and institutions linking the actors in the system
5. General business environment impacting on innovation
Including an emphasis on possible differences as a function of the level of development
6. International cooperation and exchange, division of labor, openness of innovation systems

F. INNOVATION PERFORMANCE

1. Innovation inputs, outputs, and efficiency
2. Data: Sources, limitations

G. INNOVATION POLICY

1. Rationale
Market failures, coordination failures, system failures, with particular focus on innovation for sustainable development
2. Principles of good innovation policy
3. Sources of good international practices
4. Innovation policies

Describing the current innovation policy landscape (positive analysis) and assessing and making reform recommendations in light of international good practice and national circumstances (normative analysis)

(a) Innovation Governance

- Framework
- Co-ordination (including alignment with national sustainable development priorities)

(b) Innovation Policy Tools

- Knowledge absorption
- Innovation promotion (including tools to promote innovation in areas critical for sustainable development)
- Relationships and linkages
- Knowledge diffusion
- Research and education

(c) Innovation Policy Process

- Preparation
- Design
- Implementation
- Post-implementation

5. Special issues

Innovation in the public sector, the service sector, social innovation

6. Policy recommendations

- Criteria for good policy recommendations:
 - a. actionable, addressed at particular policy makers
 - b. backed by international good practice
 - c. evidence-based, i.e. derived from findings
 - d. realistic and relevant, i.e. taking into account level of development and existing constraints
 - e. progress verifiable, i.e. linked to measurable indicators as far as possible
- Criteria for prioritizing recommendations (e.g. low hanging fruit, limited budget impact, removing critical bottlenecks ...)

H. STRUCTURE OF THE I4SD REVIEWS

Part I.

I.1 Economic overview

I.2 Innovation performance

Part II The National Innovation System, governance, policy tools and processes

Part III Selected priority topics

Such as industry-science linkages, firm dynamics, innovation demand, technology and innovation foresight

I. THE I4SD REVIEW PROCESS

1. Launching the I4SD Review

2. Stakeholder participation and country ownership
3. Definition of the terms of reference and establishment of the I4SD Team
4. Research, analysis and preparation of the I4SD Review
5. Publication and Dissemination

J. IMPLEMENTATION AND FOLLOW UP

1. Voluntary progress reporting
2. Capacity building and policy advice
3. Second round reviews
4. Link with sub-regional Innovation Policy Outlooks

ANNEX: I4SD Reviews implemented by UNECE and pending requests

REFERENCES

CONTACTS

V. Proposal for next steps

7. The secretariat proposes the following way forward.

- (i) The Team of Specialists and its wider network of experts will be invited to provide written comments on the draft outline with a deadline of 15 January 2020
 - (ii) The secretariat will prepare a first draft of the Guidebook
 - (iii) The Team of Specialists and its wider network of experts will be invited to provide written comments on the draft
 - (iv) The secretariat will prepare the final draft in light of comments received
 - (v) The Guidebook will be considered a living document with the possibility of periodic review and updating in light of new developments in innovation policy and lessons learned from the review process.
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