UNITED NATIONS SPECIAL PROGRAMME FOR THE ECONOMIES OF CENTRAL ASIA (SPECA)

Sixth Session of the SPECA Project Working Group on Knowledge-based Development

(Ashgabat, Turkmenistan, 11 June 2014)

REPORT

The sixth session of the SPECA Project Working Group on Knowledge-based Development (PWG on KBD) was jointly organized by UNECE and ESCAP at the invitation of the Government of Turkmenistan in Ashgabat on 11 June 2014. In conjunction with the session, UNECE organized a High-level Meeting on Science, Technology and Innovation for Sustainable Development in SPECA countries in collaboration with the Ministry of Economy and Development of Turkmenistan in Ashgabat on 11 June 2014.

Delegations from Azerbaijan, Kyrgyzstan, Tajikistan and Turkmenistan participated in the session along with representatives of UNECE and ESCAP. Representatives from the Eurasian Economic Commission and United Nations Development Programme (UNDP) also participated as observers. Close to 70 experts participated in the High-level Meeting on Science, Technology and Innovation for Sustainable Development in SPECA countries, many of whom attended the sixth session of the PWG on KBD. A large number of national experts participated in these events, including from ministries, agencies, other government and academic institutions and the Academy of Sciences of Turkmenistan.

Opening of the session

Mr. Serdar Atayev, Deputy Minister of Economy and Development of Turkmenistan, welcomed the participants of the session. Mr. Atayev expressed appreciation to UNECE and ESCAP for organizing the session and highlighted the important role of the PWG on KBD, which serves as a forum for discussion on issues related to knowledge-based development of SPECA countries. One of the key functions of the modern state is to support the domestic introduction of international best practices.

Mr. Christopher Athey, UNECE Secretary to the PWG on KBD and Economic Affairs Officer in the UNECE Economic Cooperation, Trade, and Land Management Division, welcomed the sixth session and expressed his gratitude to the Government

of Turkmenistan for their hospitality in hosting these important events. He emphasized the importance of the PWG on KBD to the UNECE subprogramme on Economic Cooperation and Integration, and the continued support of the Economic Cooperation, Trade, and Land Management Division to its activities.

On behalf of ESCAP, Mr. Nikolay Pomoshchnikov, Head of the ESCAP Subregional Office for North and Central Asia (SONCA) and the Joint ESCAP-UNECE SPECA Office, welcomed participants to the sixth session of the SPECA PWG on KBD and expressed his appreciation to the Government of Turkmenistan for hosting the session. He also thanked UNECE for taking the lead in organizing the sixth session, as well as the High-level Meeting on Science, Technology and Innovation for Sustainable Development in SPECA countries. The High-level Meeting addressed a subject of great relevance, both to SPECA countries and ESCAP activities in the region, and showed the great value of this cooperation between two United Nations Regional Commissions. The PWG on KBD is one of the six SPECA Project Working Groups, which SONCA supports and helps to coordinate. He noted the continued importance of the Asian Information Superhighway to SPECA countries, which was discussed at the fifth session of the PWG on KBD held in Baku on 4 December 2013.

Election of officers and adoption of the agenda

The PWG elected Mr. Serdar Atayev, Deputy Minister of Economy and Development of Turkmenistan, as Chairperson of the sixth session of the PWG on KBD. Following this, the PWG adopted the agenda for its sixth session.

Outcomes of the High-level Meeting on "Science, Technology and Innovation for Sustainable Development in SPECA countries"

Mr. Athey provided a summary of the High-level Meeting, "Science, Technology and Innovation for Sustainable Development in SPECA countries". A summary of the main outcomes of the High-level Meeting is included in Annex I.

Review of the activities of the SPECA PWG on KBD since its last session

Mr. Dominic Leong, ESCAP Secretary to the PWG on KBD and Associate Economic Affairs Officer in the ESCAP Information and Communications Technology and Disaster Risk Reduction Division, and Mr. Athey reported on activities carried out since the fifth session of the SPECA PWG on KBD. The Progress Report on the Activities of the PWG on KBD since the fifth session can be found in Annex II.

The PWG on KBD noted with satisfaction the significant capacity-building activities implemented during this short reporting period, including completion of the UNECE project, "Building the capacity of SPECA countries to adopt and apply innovative green technologies for climate change adaptation" and PPP Readiness

Assessments, as well as ESCAP activities on the Asian Information Superhighway and Internet connectivity in the region.

Delegates agreed on the importance of the PWG on KBD as a platform for the exchange of experience and best practices.

Review of the Programme of Work of the SPECA PWG on KBD for 2014-2015

Mr. Leong and Mr. Athey presented the Programme of Work for 2014-2015 of the PWG on KBD, adopted at the fifth session in Baku on 4 December 2013, and briefed delegates on the implementation of activities to date, and upcoming activities.

Delegates expressed their satisfaction with progress so far in the implementation of the Programme of Work for 2014-2015, and expressed their continued support for the activities in the programme of work.

Delegates emphasized the importance for policy making of carrying out UNECE Innovation Performance Reviews of SPECA countries, and expressed their willingness to support implementation in their countries.

Delegates also welcomed upcoming ESCAP activities on expanding connectivity between North and Central Asia and the rest of the world through the development of ICT infrastructure and networks, ICT for socioeconomic development and ICT for disaster risk reduction and climate change adaptation.

Date and venue of the next session of the SPECA PWG on KBD

The PWG agreed to hold its next session in 2015 and that the exact date and venue of the seventh session of the PWG would be decided through consultations with the SPECA countries.

Other business

Draft decisions were considered by the delegations of SPECA countries.

The delegation of Azerbaijan made an additional proposal to the draft decisions requesting that SPECA countries consider the possibility of participating in the Eurasian Connectivity Alliance. Delegates adopted the decisions by consensus. The Decisions of the sixth session of the SPECA Project Working Group on Knowledge-based Development are attached to this report in Annex III.

Closing of the session

Mr. Athey and Mr. Pomoshchnikov expressed their sincere gratitude to the Government of Turkmenistan for hosting this important event and the hospitality extended to its participants. They also expressed their appreciation to all delegates

from SPECA countries for their active participation and cooperation, which contributed to the success of the session.

SUMMARY

High-level Meeting on Science, Technology and Innovation for Sustainable Development in SPECA countries

(Ashgabat, Turkmenistan, 11 June 2014)

1.   Experts noted the central importance of innovation for sustainable development in SPECA countries. With competition that is increasingly global in nature, knowledge-based development is moving up on the policy agenda. SPECA countries are moving away from resource-led to efficiency-led models of economic development. Increasing the capacity to innovate, including through the successful adaptation of foreign technology, supports increased living standards and contributes to addressing environmental and social challenges.

2.   Countries are seeking to invest revenues from natural resources into their human resources, in order to diversify their economies. Knowledge-based development is also a way of overcoming geographical barriers and high transport costs by producing higher value goods and services for export to larger markets that were not previously accessible.

3.   Harnessing knowledge to drive sustainable development will be the key to successful implementation of the post-2015 development agenda and Rio+20 outcomes in Central Asia, supporting human development and poverty eradication. Innovation has the potential to support sustainable consumption and production, protecting and managing the natural resource base for sustainable economic and social development. Implementation of UNECE Innovation Performance Reviews will be important to help SPECA countries develop effective policies.

4.   It is important to take a broad definition of innovation, and a systemic view when designing policies. National innovation systems are complex, and innovation performance depends on effective interactions and networking between many actors, including academic and R&D institutions, firms, public bodies and financiers. This systemic view is the approach adopted in the UNECE Innovation Performance Reviews, which identify those components or relationships within a national innovation system where policy attention is most needed.

5.   Innovation is not only about the generation of new knowledge. For countries that are not leading innovators, it may be even more important to develop domestic capacity for international cooperation, knowledge absorption and technology transfer. Establishing effective industry-science linkages is a particular policy challenge. These linkages strongly influence the degree to which knowledge drives

economic progress. Policies should recognize that users can also be a source of innovation.

6.   Developing geographic concentrations, or "clusters", of interconnected firms and other innovation stakeholders is important for fostering knowledge-based development. Scientific and technological parks may play a useful role in developing such knowledge-intensive clusters of economic activity.

7.   Gathering the statistical information needed in order to derive internationally recognized innovation indicators is necessary for the effective benchmarking of innovation performance and policy evaluation, moving away from a narrow focus on measuring R&D expenditures. Establishing benchmarks against which progress can be measured is an essential tool for policymakers, allowing them to evaluate the effectiveness of different policies and decisions.

8.   When making policy recommendations, it is essential to take into account national specificities. Areas that present particular challenges in Central Asia include: research commercialization; the management of intellectual property rights; and creating the necessary preconditions and incentives for successful science parks. The important role for National Academies of Sciences in research activities is also, often, a specific feature of the national innovation systems of countries in the region.

PROGRESS REPORT ON THE ACTIVITIES
OF THE PWG ON KBD

This report describes activities organized by the UNECE and ESCAP secretariats either within the framework of the SPECA Project Working Group on Knowledge-based Development (PWG on KBD), or addressing topics covered by this thematic area that had taken place since the fifth session of the SPECA PWG on KBD in Baku, Azerbaijan on 4 December 2013.

The Programme of Work of the PWG for 2014-2015 was adopted at the fifth session of the PWG on KBD, held in Baku on 4 December 2013. The UNECE and ESCAP secretariats have carried out the following capacity-building activities for SPECA countries since the fifth session:

- *Completion of the project "Building the capacity of SPECA countries to adopt and apply innovative green technologies for climate change adaptation",* funded by the United Nations Development Account, and follow-up event – *Policy Seminar on Promoting the Introduction of Green Technologies*, Haifa, Israel, 17-19 December 2013.

- *Implementation of the UNECE project "Innovation performance reviews".* Within the framework of this project, Innovation Performance Reviews of Kazakhstan and other CIS countries have been completed. Reports are available in English and Russian. Ongoing implementation was discussed during the eighth session of the UNECE Committee on Economic Cooperation and Integration, Geneva, Switzerland, 13 February 2014.

- *Implementation of the UNECE project "PPP readiness assessments in countries of Central Asia". Consultations and Dialogue on the PPP Readiness Assessment of Kazakhstan* were organized by UNECE and the PPP Centre of Kazakhstan in Astana, Kazakhstan, 9 April 2014. PPP readiness assessments of Kazakhstan, Kyrgyzstan and Tajikistan have been finalized. These reports will be available online in English and in Russian.

- *UNECE Policy Workshop on Public Support to Venture Capital*, Astana, Kazakhstan, 28 May 2014.

- *Implementation of the ESCAP project "Expanding connectivity of North and Central Asia with the Asia-Pacific region through the development of ICT infrastructure and networks".* Within the framework of this project, a comprehensive report on Internet infrastructure in Azerbaijan, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan, and Uzbekistan has been completed. The report is available online in English and Russian. An

additional report on Internet infrastructure in Afghanistan is currently under preparation.

- *Implementation of the ESCAP project "Strengthening information and communications technology capacities for disaster risk reduction and development: addressing information, knowledge and policy gaps in Asia".* ESCAP is further developing the Asia-Pacific Gateway for Disaster Risk Management and Development, an online knowledge platform for mainstreaming disaster risk reduction into national development processes.

- *High-level Regional Roundtable on Telecommunications Connectivity in Central Asia*, Almaty, Kazakhstan, 3 June 2014.

Representatives from the SPECA countries participated in the following events:

- Eighth session of the UNECE Committee on Economic Cooperation and Integration, Geneva, Switzerland, 12-14 February 2014.

- ESCAP/APCICT regional workshop on ICTD Project Management and Monitoring and Evaluation, Incheon, Republic of Korea, 15-18 April 2014.

DECISIONS
OF THE SIXTH SESSION OF THE SPECA PWG ON KBD

1. The Project Working Group on Knowledge–based Development (PWG on KBD) noted with satisfaction the outcomes of the High-level Meeting on Science, Technology and Innovation for Sustainable Development in SPECA countries and the importance of this subject for the knowledge-based development of SPECA countries. Participants of the High-level meeting highlighted the key role played by industry-science linkages in driving innovation performance and emphasized the importance of implementing UNECE Innovation Performance Reviews for SPECA countries.

2. The PWG took note of the review of the activities of the SPECA PWG on KBD since its last session. Delegates noted with satisfaction the activities carried out within the framework of the PWG.

3. The PWG took note of the presentations on the Programme of Work of the SPECA PWG on KBD for 2014-2015 by the UNECE and ESCAP secretariats. The PWG emphasized the relevance of the proposed activities to the knowledge-based development of the SPECA countries.

4. The PWG supported the request of Azerbaijan for SPECA countries to consider the possibility of their participation in the Eurasian Connectivity Alliance.

5. The PWG underlined the importance of partnerships with all stakeholders at the national and international levels. In this regard, the Group recommended that national representatives actively involve relevant stakeholders in the PWG activities.

6. The PWG agreed to hold its next session in 2015 and that the exact date and venue of the seventh session of the PWG will be decided through consultations with the SPECA countries.

7. The PWG expressed its sincere gratitude to the Government of Turkmenistan for the excellent organization of the meetings and the hospitality offered to participants.

8. The PWG expressed its appreciation to the secretariats of UNECE and ESCAP for their efforts in organizing these events, and their active work to support the activities of the PWG on KBD.

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