



**UNECE INNOVATION PERFORMANCE REVIEW (IPR) OF
UKRAINE
INDEPENDENT REVIEW OF CHAPTERS 2 & 3**

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IPR of Ukraine, Review Chapters 2 & 3: Preliminary Remarks

- Both chapters are very well written, highly informative, clearly structured, theoretically informed, and empirically rich (given the quantity and quality of data available). It is obvious that both authors are experienced in contributing to the ToS ICP exercise of producing Innovation Performance Reviews.
- However, (as usual) in some areas covered, the chapters could/should provide more in-depth analysis and more specific policy recommendations in order to increase their value added provided to Ukrainian policy makers. Given that this IPR is supposed to be just the start of an ongoing process, the Ukrainian authorities might consider a follow-up process exploring the full potential of this IPR as policy input.
- This review concentrates on some selected policy recommendations provided in the respective chapters.

UNECE Innovation Performance Review of Ukraine

CHAPTER 2: NATIONAL INNOVATION SYSTEM AND INNOVATION GOVERNANCE

IPR of Ukraine, Chapter 2: Recommendations

Recommendation 2.1

The authorities should give special attention to:

- The business enterprise subsystem, in particular the promotion of innovative SMEs;
 - The commercialisation of science (e.g. technostarters);
 - The linkages between science and industry through policy measures that target collaboration between these two subsystems; and
 - The role of innovation intermediaries, with due consideration to the particular needs of small innovative enterprises.
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- ❖ Beware your economic structure! Facilitate structural change that allows companies to move to more knowledge intensive production and services the upper end of the value chain (i.e. in “traditional” sectors)
 - ❖ Modernisation and diversification (creation of business opportunities) before specific SME support

IPR of Ukraine, Chapter 2: Recommendations

Recommendation 2.2

- Lack of a consistent vision and concrete implementation steps;
 - Consider developing a National Innovation Strategy, integrate and replace existing policy initiatives;
 - Set up clear national priorities in the promotion of innovation and identify the policy measures to realise this strategy;
 - Define strategy implementation, monitoring and evaluation.
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- ❖ Consider involving all stakeholders in the process, i.e. provide a platform for open debates and community based decision making
 - ❖ This also pertains to recommendation 2.3 (creation of National Innovation Council) and 3.2 (enhanced role of SASII)

IPR of Ukraine, Chapter 2: Recommendations

Recommendation 2.3

The authorities could consider the establishment of a National Innovation Council, in order to promote a cross-sectoral and cross-departmental approach in the design and implementation of innovation policies. In the organization of the work of the National Innovation Council:

- In addition to ministries and government agencies, representatives from the business and academic sectors could also be included as members;
- The chairmanship role could be performed by a figure with wide national support to ensure wide awareness and visibility of innovation initiatives in the country; and
- The State Agency on Science, Innovation and Informatization (SASII) could act as the Secretariat of this Council and coordinating unit in the policy implementation process.

UNECE Innovation Performance Review of Ukraine

CHAPTER 3: FRAMEWORK CONDITIONS, INNOVATION POLICIES AND INSTRUMENTS

IPR of Ukraine, Chapter 3: Recommendations

Recommendation 3.1

The authorities should strengthen their efforts to encourage the development of an innovation culture, in particular through awareness, dissemination and communication initiatives, which could include:

- Support to popular scientific radio and TV programmes and other forms of media to encourage interest on science and technology and their commercial applications;
- Promotion of innovative entrepreneurship as a positive role model through awards, TV programmes and other forms of social recognition;
- Training managerial staff in public agencies on innovation issues; and
- Educational programmes at different levels that underline the importance of innovation and intellectual property for economic development.

IPR of Ukraine, Chapter 3: Recommendations

Recommendation 3.2

Given the multiple government actors involved in innovation-related areas and the difficulties in tracking effective implementation, the authorities should strengthen their efforts to:

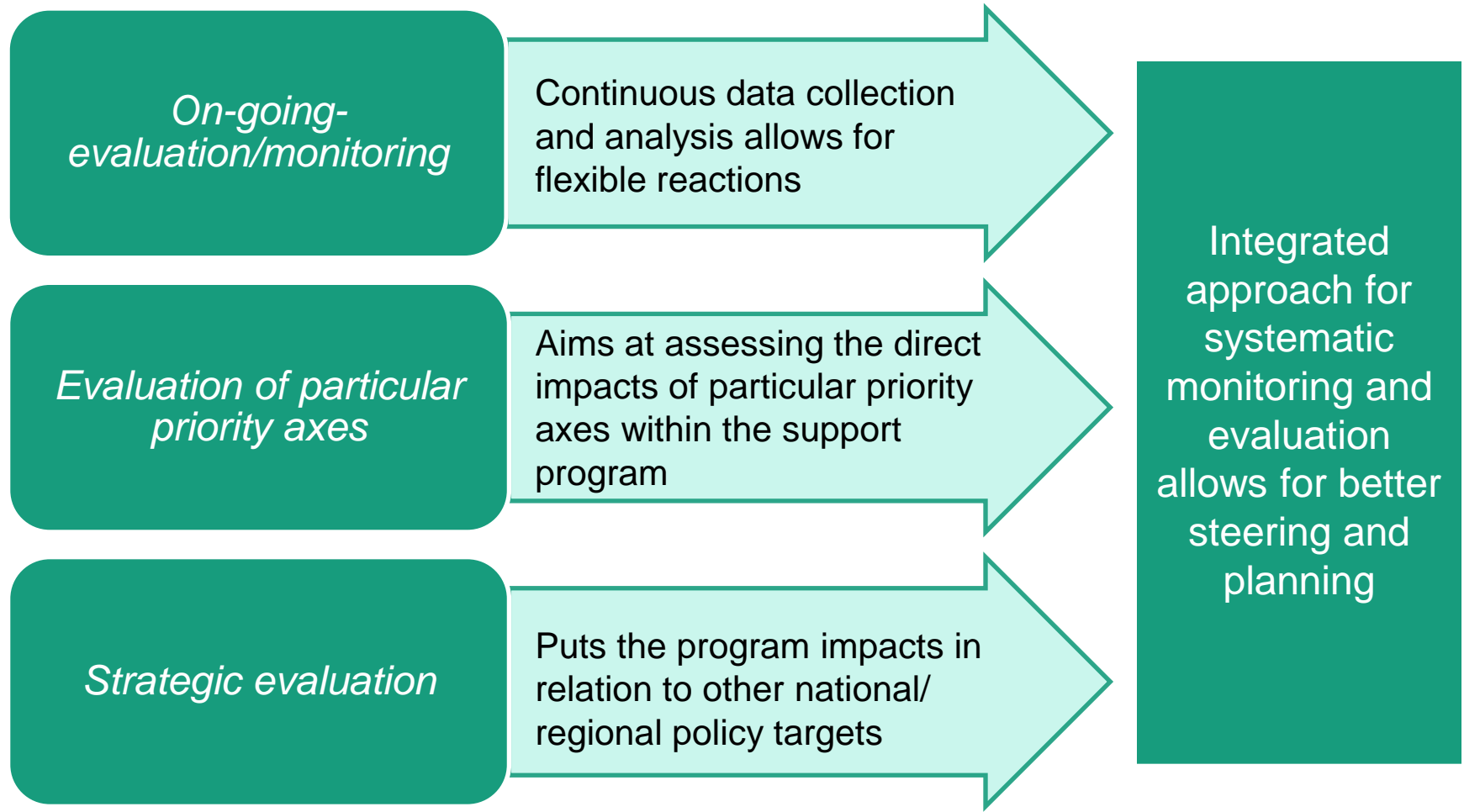
- Streamline policymaking and improve the definition of functions and responsibilities of ministries, agencies and other parties; and
- Strengthen control over implementation through the creation of new mechanisms or the reinforcing of existing structures. This could include an enhanced role for the State Agency on Science, Innovation and Informatization (SASII), which could be given more extensive powers, increasing its independence and providing it with specific performance indicators and budgetary resources to carry out these monitoring tasks (See recommendation 2.3).

IPR of Ukraine, Chapter 3: Recommendations

Recommendation 3.3

- Improved effectiveness of innovation policies by reinforcing key aspects of the policy cycle.
- Closer involvement of private sector in policy design through well-established consultative processes, which could include clear communication regarding sources of finance
- Reinforcing monitoring and evaluation procedures, which should be built into the design of public programmes. The outcome of the assessments should serve to take corrective measures regarding existing programmes and should be used to make improvements in the design of new ones.
- ❖ The importance of monitoring and evaluation cannot be overestimated. Secure at least 10% of the overall programme budget for monitoring and evaluation

Monitoring and Evaluation System – A Potential Baseline



IPR of Ukraine, Chapter 3: Recommendations

Recommendation 3.4

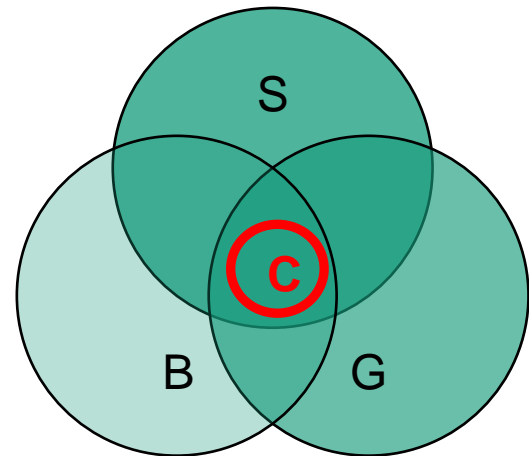
In order to enhance the contribution of innovation to regional development, the authorities should ensure that innovation policies and related programmes incorporate a regional dimension and that this is supported by appropriate financial and coordinating mechanisms. In particular, the authorities could consider:

- A well-defined consultation process that facilitates the alignment of national and regional policy objectives and the incorporation of regional aspects in the design of the overall national innovation strategy;
- The creation of institutional structures that facilitate the coordination between regional and central interventions, including mechanisms for consultation and sharing of information; and
- The provision in central plans for the development of necessary infrastructures to support the implementation of regional strategies.

Drivers for Success in Regional Development

Generic characteristics highly related to good practice

- High concentration, strong value chains, high visibility
- Focus on sectors which are already advanced
- Facilitation of individual, institutional and inter-institutional learning
- Integrative approaches (all partners contribute with their knowledge)
- Integration of labor market aspects
- High level of trust between participants;
integration of “**catalyst institutions**”



Key Messages

1. Improve **framework conditions** (“doing business“); foster/facilitate private R&D Investments
2. Consider **output-orientation** of public R&D investments (application of results)
3. **KEEP IT SIMPLE!** Transparency and Simplicity of implementation and administration of innovation policy measures should be enhanced
4. **Monitoring and evaluation** are key to success! Constant improvements can be achieved, i.e. in terms of output, outcomes and impact of innovation policy measures

Thank you for your kind attention!



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