



Economic and Social Council

Distr. GENERAL

19 October 2017

ENGLISH ONLY

## ECONOMIC COMMISSION FOR EUROPE

Team of Specialists on Innovation and Competitiveness Policies

Tenth session

Geneva, 19-20 October 2017

Item 3 of the provisional agenda

### Proposal for a sub-regional Innovation Policy Index

Conference room paper submitted by the secretariat

#### Summary

The present paper outlines the rationale, potential benefits and scope of a proposed sub-regional Innovation Policy Index aimed at maintaining and enhancing the capacity of the Team of Specialists and the secretariat to respond in a timely fashion to increasing demands from member States with economies in transition for innovation policy analysis and advice.

#### Background

1. Innovation tops the economic policy agenda at the global, regional and national level among ECE members – driving sustainable growth and development. That is why UNECE continually supports economies in transition through, *inter alia*, demand-driven national Innovation for Sustainable Development Reviews. These assess national innovation systems and policies, offering tailored recommendations for policy reforms in light of international good practice. To date they have covered Armenia, Belarus, Kazakhstan, Tajikistan, the Kyrgyz Republic, and Ukraine – with a strong pipeline of pending requests. Currently, the capacity of the secretariat to deliver such reviews is limited to approximately one per year. This capacity constraint is becoming increasingly binding, as the requests for new national reviews coincide with requests for second-round follow-up reviews by countries that were reviewed in past years.

#### Purpose and benefit of the proposed sub-regional innovation policy index

2. The proposed sub-regional innovation policy index would be a way to mitigate this constraint and to maintain the secretariat's and the Team of Specialists' ability to respond to increasing country demand for policy assessments and advice in a timely fashion.
3. It would complement the existing programme of national Innovation for Sustainable Development Reviews by covering and benchmarking UNECE member countries with economies in transition along the same policy areas of the national reviews on a more regular basis.
4. The proposed index would strengthen the impact of UNECE's existing work by:
  - a. further strengthening the methodological basis for the analysis of national innovation systems and policies and for making evidence-based policy recommendations,
  - b. developing clear performance indicators that allow for benchmarking progress and assessing the impact of policy reform and programming in the area, and
  - c. enhancing the ability to compare findings across countries through a structured analysis of selected issues based on comparable data.

#### **Relation to other existing work**

5. By focusing squarely on an assessment of policies and institutions, the proposed index would build on and complement existing international indices, such as the World Economic Forum's Global Competitiveness Index or the World Intellectual Property Organization's Global Innovation Index. These rely on indicators for inputs into the innovation process and the resulting outputs or performance, but do not capture the scope and quality of Government policies and institutions. The proposed UNECE sub-regional innovation policy index would draw on this existing information and would enhance our understanding of how government policy supports – or in some cases impedes - the process of transforming innovation inputs into outputs.

#### **Process and scope**

6. The first step would be an exploratory workshop with experts from three to five interested member States on the methodology for such an index, aiming to measure, analyse, and compare the policies, institutions, and processes that underpin the innovation systems of the ECE region, with initial focus on selected countries that could subsequently cover all ECE member states with economies in transition. The workshop would assemble a pilot group of experts from interested ECE members in transition. It would be held in the first half of December 2017.
7. Based on the results of the exploratory workshop, the methodology, indicators and research and assessment processes would be developed and agreed with the pilot group of countries.
8. This would be followed by a data collection and validation phase, and then an assessment process to analyse policy and institutional frameworks in a comparative perspective. The assessment process is envisaged to be dual track, i.e. being performed initially by national and international experts in parallel, followed by a consolidation exercise to arrive at a shared perspective.
9. The main output would be a pilot report which, if successful, could subsequently be reiterated every other year using new data and involving a larger group of UNECE member States with economies in transition. The structure of the pilot report could be as follows:
  - a. Introduction and methodological overview
  - b. Chapter presenting overall results and comparisons
  - c. Three chapters discussing sub-regional trends and common structural challenges
  - d. Country profiles (2-3 pages per country) identifying key findings, strengths and weaknesses
  - e. Methodological annex
  - f. Data annex

#### **Resource implications**

10. The work on the proposed index would be financed through extra-budgetary resources to be raised specifically for this purpose. Funding for the exploratory workshop is available from the current Regular Budget for Technical Cooperation.