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Committee on Innovation, Competitiveness and Public-Private Partnerships

Team of Specialists on Innovation and Competitiveness Policies

Eleventh session

Geneva, 1–2 November 2018

Item 1 of the provisional agenda

Adoption of the agenda and election of officers

Annotated provisional agenda for the eleventh session*

To be held at the Palais des Nations, Geneva, starting at 10 a.m. on 1 November 2018

I. Provisional agenda

1. Adoption of the agenda and election of officers (ECE/CECI/ICP/2018/1).
2. Substantive segment Part I:
The Fourth Industrial Revolution – reshaping innovation policies for sustainable and inclusive growth
3. Substantive Segment Part II:
 - (a) Discussion of potential high-level innovation policy principles for sustainable development;
 - (b) Discussion of potential sub-regional innovation policy index;

* Delegates attending meetings at the Palais des Nations should register online here <https://uncdb.unece.org/app/ext/meeting-registration?id=p9KIqs>. Prior to the session, delegates (except for delegates from the Geneva-based Missions) are requested to present themselves with a valid identification card/passport at the Pass and Identification Unit of the UNOG Security and Safety Section, located at the Pregny Gate, Avenue de la Paix 14 for the issuance of an identification badge. Additional information for delegates, including a map of the premises, is available on the ECE website at <http://www.unece.org/meetings/practical.html>.



- (c) Discussion of the draft methodological guide for the national Innovation for Sustainable Development Reviews.
4. Review of the work of the Team of Specialists on Innovation and Competitiveness Policies since the tenth session.
 5. Inter-sessional implementation plan for 2018-2019, (ECE/CECI/2018/2, Annex II).
 6. Other business.
 7. Adoption of the Report of the session.

II. Annotations to the provisional agenda

<i>Title of document</i>	<i>Document symbol</i>	<i>For information/discussion</i>
Agenda	ECE/CECI/ICP/2018/1	Information
Inter-sessional implementation plan for 2018-2019.	ECE/CECI/2018/2, Annex II	Information
Towards the Circular Economy - Innovation policies for sustainable production and consumption	ECE/CECI/2018/3	Information
Draft: Methodological guide for ECE reviews of innovation for sustainable development	ECE/CECI/ICP/2018/INF.1	Discussion
Concept note on the content of and process for a proposed sub-regional innovation policy index	ECE/CECI//ICP/2018/INF.2	Discussion
Concept note on potential high-level principles for innovation policies	ECE/CECI/ICP/2018/INF.3	Discussion

1. Adoption of the agenda and election of officers (ECE/CECI/ICP/2018/1)

1. The Team of Specialists on Innovation and Competitiveness Policies will adopt its agenda.
2. The objectives of the eleventh session are to:
 - (a) Discuss and address topical, substantive issues related to the programme of work of the Team of Specialists;
 - (b) Review the outputs and activities carried out since the tenth session and agree on an implementation plan for the period until the twelfth session in 2019.
3. The Team of Specialists may elect officers to its bureau as required and in accordance with the Guidelines on Procedures and Practices for ECE Bodies (E/ECE/1468, Annex III para.V.8. p. 18). The term of office of newly elected officers will begin at the end of this session.

2. Substantive segment Part I: the Fourth Industrial Revolution – reshaping innovation policies for sustainable and inclusive growth

4. Under the substantive segment, policy makers and experts will share experiences from the ECE region on the opportunities and challenges that the Fourth Industrial Revolution will pose for sustainable development. They will discuss how innovation policies and institutions can contribute harnessing its benefits and addressing its challenges and trade-offs, especially for the achievement of SDG 8 on “Decent Work and Economic Growth”.

5. As the World Bank recognizes, “economic growth has been the single most important instrument” for the decline in global poverty levels in the past 25 years. But not all countries have been equally successful at generating poverty-reducing growth, and income inequality has risen within some of the fast-growing countries. Moreover, it has become increasingly evident that economic growth based on current products and production processes cannot be sustained within planetary boundaries. The United Nations 2030 Agenda for Sustainable Development is now calling for member States to pursue a different kind of growth, one that is socially inclusive and ecologically sustainable.

6. This ambitious pursuit takes place in a rapidly changing, uncertain economic environment. The concept of the Fourth Industrial Revolution or, Industry 4.0, has emerged over the past years to understand the potentially radical changes to the world economy and society at large that we may observe over the next decades. The driving force will be innovation, with technologies that will blur distinctions among the physical, digital and biological spheres and transform how we produce, consume, and interact – and, ultimately, how we can meet the Sustainable Development Goals. These include technologies such as artificial intelligence, robotics, the Internet of Things, 3D printing, nanotechnology, biotechnology.¹

7. The benefits that the Fourth Industrial Revolution can bring at the global level and to countries ready to harness its opportunities are tremendous. New business ideas and technologies promise radical gains in efficiency and productivity. The costs of transportation and communication will continue to decrease, especially as servitization of manufacturing reduces the need for physical shipping, logistics and global supply chains become more effective, and new markets open.² This is especially the case for trading services across borders, tapping into the human resource pool of economies in transition. The latter could often leapfrog to the latest technologies and standards, bypassing intermediate stages. Mobile telephony and banking, for instance, have supplanted the need to invest in cable networks and bank branches in many developing countries.

8. The Fourth Industrial Revolution has also the potential to increase energy and resource efficiency and hence protect the environment and reduce carbon emissions. It can be an enabler for the transition to a circular economy, and to more sustainable consumption and production patterns. Innovation is already driving the move to the circular economy. New technologies, processes, services and business models are re-shaping product life cycles from design through production and usage on to disposal and recycling. Similarly, innovative forms of sustainable consumption, such as sharing platforms, are emerging in areas such as transport and housing.

¹ The World Economic Forum, “The Fourth Industrial Revolution: what it means, how to respond”, 2016.

² UNIDO, “Industry 4.0, Opportunities and Challenges of the New Industrial Revolution for Developing Countries and Economies in Transition” 2016.

9. Yet, ECE countries face many challenges to capture these benefits – potentially differing widely depending on level of development, location, and skills. Currently North America, Western Europe and some parts of Asia lead the way, with much of the world lagging behind.³ Technologies like automation, robotics, additive manufacturing, coupled with changes to the structure of supply and demand and transactions cost, will, for instance, turn some previously labour-intensive activities into capital-intensive ones – reducing or removing the incentive to outsource labour-intensive activities to low-wage labour markets in developing and transition economies. Textile and automotive companies are increasingly bringing previously outsourced production back from emerging economies. Most of the structural transformation of the world economy has seen the rise of new jobs and sectors, often in services, rapidly replacing and slowing demand for labour in manufacturing and agriculture. Nowadays the speed of change of Industry 4.0 sparks concerns among developed and developing economies alike on how to create new jobs and reduce inequality within and among countries. The World Bank estimates that up to two thirds of existing jobs are susceptible to automation using technology already available or likely to emerge within the foreseeable future, while the McKinsey Global Institute predicts that about half are. As knowledge, governance, and infrastructure gaps between developing and developed economies continue to widen, this will affect countries in transition to a significant extent.

10. The Fourth Industrial Revolution can create green, clean, equitable and sustainable production systems – and a range of new, well paid, and rewarding jobs and other opportunities for all. But harnessing Industry 4.0 for sustainable development will require concerted action. To remain competitive, ECE countries will face mounting pressure to reform, building, improving, and adapting essential framework conditions such as good governance, relevant skills, efficient infrastructure, flexible labour markets, responsive legal systems, and the appropriate rules and regulations. Innovation policies and institutions should play a leading role in this context.

11. Restructuring the economy to meet this challenge in the context of Industry 4.0 will require technological innovation, investment in human capital, efficient infrastructure, and flexible policies, regulations, and institutions.⁴ Innovation and technological upgrading are the main means to achieve the targets of SDG 8, particularly because they boost economic productivity, entrepreneurship and resource efficiency. Only with the state-of-the-art skills, support, and rules of the game will countries be able to make the most of the opportunities for sustainable and inclusive growth that these changes could bring.

12. The Fourth Industrial Revolution will affect entire systems of production, management and governance. An integrated, flexible and comprehensive response involving a wide range of public and private stakeholders and policy areas, carefully coordinated among countries and regions in line with clear principles and practices, will be essential.

13. Participants will discuss a range of questions, including:

- (a) What do we mean by the Fourth Industrial Revolution and how may it transform the economy and society from the perspective of sustainable development?
- (b) What are the challenges, opportunities, and potential development trajectories for the ECE region?

³ The World Economic Forum White Paper, “Technology and Innovation for the Future of Production: Accelerating Value Creation”, 2017.

⁴ UNCTAD, “Development and Globalization, Facts and Figures 2016”.

(c) How may this transformation impact employment, inequality, and environmental sustainability, including movement towards increasingly circular production and consumption, within and among countries in the ECE region?

(d) What policies, rules, institutions and framework conditions will the ECE region need to harness the opportunities for sustainable development while avoiding or mitigating the risks?

(e) How can innovation policies and institutions play a leading, productive role in this context?

14. The conclusions of this seminar will feed into the ECE Regional Forum on Sustainable Development, which, inter alia, will cover the Sustainable Development Goal 8 on Decent Work and Economic Growth and progress towards the Sustainable Development Goals at the regional level.

3. Substantive Segment Part II

a. Discussion of potential high-level innovation policy principles for sustainable development

15. Following and building on the discussion in the Substantive segment, the Team of Specialists will review the ideas in a concept note on potential ECE high-level principles for innovation policies and institutions (ECE/CECI/2018/INF.3), developed upon the request of delegates in the twelfth session of the Committee on Competitiveness, Innovation, and PPPs in March 2018. Drawing from expertise and experiences across the region, delegates will explore the utility, content, and process for development and adoption of potential high-level principles could guide further regional policy dialogue to review, design, reform, and harmonize innovation policies and institutions in ECE countries.

b. Discussion of potential sub-regional innovation policy index

16. The Team of Specialists will discuss a concept note on the content of, and process for, a proposed sub-regional innovation policy index (ECE/CECI/2018/INF.2), in line with the discussions at the twelfth session of the Committee on Competitiveness, Innovation, and PPPs in March 2018.

c. Discussion of the draft methodological guide for the national Innovation for Sustainable Development Reviews

17. The Team of Specialists will discuss an initial draft of a methodological guide for the national Innovation for Sustainable Development Reviews (ECE/CECI/2018/INF.1), developed in response to the discussion at the twelfth session of the Committee on Competitiveness, Innovation, and PPPs in March 2018.

4. Review of the work of the Team of Specialists on Innovation and Competitiveness Policies since the tenth session

18. The Team of Specialists will review the outcomes and highlights of the work since its tenth session, including:

(a) The Policy Document: “Towards the Circular Economy - Innovation Policies for Sustainable Production and Consumption” (ECE/CECI/2018/3) adopted by the twelfth session of the ECE Committee on Innovation, Competitiveness and Public-Private Partnerships.

(b) The 2017 United Nations Special Programme for the Economies of Central Asia Economic Forum, held in conjunction with the 12th session of the Special Programme Governing Council, with a focus on innovation for sustainable development, in Dushanbe, Tajikistan in November 2017.

(c) A Methodological Workshop “Towards an innovation policy index” held in Kyiv on 14 December 2017, organised with the Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine and attended by stakeholders from European Union Eastern Partnership countries.

(d) The Roundtable on “Towards a circular economy: innovation for sustainable value chains” at the Regional Forum on Sustainable Development for the ECE Region, in Geneva on 1 March 2018.

(e) The Regional Capacity Building workshop on “Strengthening Technology Transfer and Technology Commercialization Capacity of Small and Medium Enterprises in Countries in Central Asia” in Astana on 30-31 May 2018, organised with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the Asia and Pacific Centre for Transfer of Technology.

(f) A Regional Workshop on “Innovation Strategy, Technology Applications and Infrastructure for the SDGs” in Baku on 4-5 July 2018, organised with ESCAP alongside the 10th session of the Working Group on Knowledge-based Development of the United Nations Special Programme for the Economies of Central Asia.

(g) The 10th session of the Working Group on Knowledge-Based Development of the United Nations Special Programme for the Economies of Central Asia organised with ESCAP in Baku, Azerbaijan on 5 July 2018.

(h) The side event “Technology and Innovation for Sustainable Development: regional experiences to promote youth employment and address inequality” organised with the other regional commissions and the chair of the Group of 77 and China at the 2018 High-Level Political Forum on Sustainable Development;

(i) A policy advisory workshop on technology foresight and innovation policy monitoring in Minsk, Belarus in autumn 2018.

(j) Launch of the Innovation for Sustainable Development Review of Kyrgyzstan in Bishkek.

(k) Several substantive contributions based on the Team of Specialists work to events and publications, including the Organization for Economic cooperation and Development Eurasia Week, the Astana Forum 2018, and the 2018 China International Finance Forum.

19. Delegates will be invited to take stock of past activities and to discuss effective dissemination of the Team of Specialists outputs.

5. Inter-sessional implementation plan for 2018-2019 (*ECE/CECI/2018/2,*

Annex II)

20. The secretariat will inform the Team of Specialists of the main outcomes of the twelfth session of the Committee on Innovation, Competitiveness and Public-Private Partnerships held in Geneva on 26-28 March 2018.

Implementation Plan for 2018-2019

21. The Team of Specialists will discuss proposals for work to be undertaken in the remainder of 2018 and in 2019 in accordance with the Inter-sessional Implementation Plan for 2018-2019 of the Committee on Innovation, Competitiveness and Public-Private Partnerships (ECE/CECI/2018/2, Annex II). Proposals include:

(a) Publication of the Innovation for Sustainable Development Review of Kyrgyzstan.

(b) A methodological guide on Innovation for Sustainable Development Reviews will be developed based on expert consultations within the Team of Specialists on Innovation and Competitiveness Policies (see draft guide for discussion ECE/CECI/2018/INF.1).

(c) Further elaboration, integrating comments and preferences of the Team of Specialists, of potential high-level principles for innovation policies for sustainable development, based on the concept note presented (ECE/CECI/2018/INF.3).

(d) Further development of the methodology for a sub-regional Innovation Policy Index (see concept note ECE/CECI/2018/INF.2); a pilot version of the index will be undertaken subject to expressions of interest from member States and extrabudgetary funding.

(e) In response to requests from member States, a new Innovation for Sustainable Development Review will be carried out in 2019 subject to extrabudgetary funding.

(f) Follow-up policy advisory workshops to support reform efforts in line with policy recommendations from earlier innovation reviews.

(g) Additional regional and national policy advisory and capacity building events on specific issues subject to demand from member States and extrabudgetary funding.

(h) A draft Innovation Strategy for Sustainable Development for the United Nations Special Programme for Central Asia will be developed and presented for consideration by its Governing Council in 2019.

22. Delegates are encouraged to express any intentions by ECE member States and other stakeholders to provide extra-budgetary support (such as funds or in-kind contributions, including expert contributions and hosting events) to these activities.

23. The team of Specialists is invited to consider and agree on the implementation plan for its work in the remainder of 2018 and in 2019.

6. Other business

24. The Team of Specialists will decide on the date for its twelfth session. The secretariat proposes 6-7 November 2019.

7. Adoption of the Report of the session

25. The Report will be adopted at the end of the session.

Annex

Provisional timetable

<i>Time</i>	<i>Agenda Item</i>
Thursday, 1 November 2018	
10 a.m. – 10.30 a.m.	Item 1. Adoption of the agenda and election of officers
10.30 a.m. – 1 p.m.	Item 2. Substantive segment Part I: The Fourth Industrial Revolution- innovation for sustainable and inclusive growth
3 p.m. – 6 p.m.	Item 2. The Fourth Industrial Revolution- innovation for sustainable and inclusive growth (<i>continued</i>)
Friday, 2 November 2018	
10 a.m. – 11 a.m.	Item 3. Substantive Segment Part II Item 3 a. High level Principles for Innovation Policies
11 a.m. – 11:30 a.m.	Item 3 b. Sub-regional innovation Policy Index
11:30 a.m. – 12 a.m.	Item 3 c. Methodological Guide for the national Innovation for Sustainable Development Reviews
12 a.m. – 13:00 p.m.	Item 4. Review of the work of the Team of Specialists on Innovation and Competitiveness Policies
3 p.m. – 6 p.m.	Item 5. Inter-sessional implementation plan for 2018-2019 Item 6. Other business Item 7. Adoption of the Report of the session
