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## Economic Commission for Europe

### Committee on Economic Cooperation and Integration

#### **Eighth session**

Geneva, 12 - 14 February 2014

Item 8 of the provisional agenda

#### **Programme of Work and Draft Strategic Framework**

### **Biennial performance evaluation of the subprogramme for 2012-2013**

#### **Note by the secretariat <sup>1</sup>**

#### *Summary*

This note provides the 2012 - 2013 biennial performance evaluation report for the programme of work of the UNECE Subprogramme on Economic Cooperation and Integration. This evaluation follows the 2012-2013 biennial evaluation plan (document ECE/CECI/2011/12), which was endorsed by the Committee at its sixth session. A correlation between the 2012-2013 Strategic Framework and the logical framework of the Biennial Evaluation is provided in the annex to this note for ease of reference.

The biennial performance evaluation report establishes links with the expected accomplishments and indicators of achievement of the 2012 - 2013 Strategic Framework, and divides the Committee's areas of work into six clusters.

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<sup>1</sup> This document has been submitted on the above date due to the need to await the results of a meeting of the UNECE Executive Committee held on 4 December 2013, at which member States discussed the date and format of the eighth session of the Committee on Economic Cooperation and Integration.



## **I. Cluster 1: Formulation of policy recommendations and good practices on innovative, knowledge-based development in the UNECE region**

### **A. Expected accomplishment**

1. Increased knowledge of good practices and policies targeting a financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness of enterprises and economic activities leading to the formulation of related CECI policy recommendations.

#### **1. Indicators of achievement:**

##### **(i) Number of policy recommendations resulting from the exchange of good practices and policy experience among member States**

*Performance measures:*

Baseline 2011: 9

Target 2012–2013: 6

Actual 2012-2013: 5

##### **(ii) Per cent of questionnaire respondents who find these recommendations useful**

*Performance measures:*

Baseline 2011: 73 (refers to publications)

Target 2012–2013: 80

Actual 2012-2013: 89

#### **2. Statement of Accomplishments**

2. Five sets of policy recommendations were prepared on the following topics: (1) the regional dimension of innovation policies; (2) intellectual property and the promotion of competition as drivers of innovation; (3) improving innovation policies in Ukraine; (4) innovation and entrepreneurship; (5) promoting innovation in the public sector. They reflect the results of the annual sessions of the Teams of Specialists on Innovation and Competitiveness Policies in 2012 and 2013, and on Intellectual Property in 2012, as well as the results of an international policy conference held in Dubrovnik in 2013. The first three sets of policy recommendations were endorsed by the Seventh Session of the Committee on Economic Cooperation and Integration held in Geneva on 5-7 December 2012. The fourth and fifth sets of policy recommendations will be endorsed at the Eighth Session on 12-14 February 2014.

3. The original target of 6 sets of policy recommendations was not achieved for the following legislative reason. The original plan had foreseen a sixth set of policy recommendations to be prepared by the Team of Specialists on Intellectual Property as a result of its eighth session in the summer of 2013. However, as part of the Outcome of the Review of the 2005 ECE Reform, member States decided not to renew the mandate of this Team. Therefore, no session was held in 2013, no policy dialogue took place, and no policy recommendations were prepared.

4. 89 percent of questionnaire respondents with expertise in the areas covered by cluster 1 (Innovative knowledge-based development) rated the policy recommendations and good practices above as 4 or 5 on a scale of 1 to 5.

### 3. Lessons learned

5. Improvements were made during the biennium in the dissemination of policy recommendations and good practices, as recommended in the 2010-2011 evaluation report. Capacity-building activities were more actively used as platforms for publicising policy recommendations in related areas, thus aligning them more closely with the normative work conducted.

6. While demand for national Innovation Performance Reviews and the resulting policy recommendations is strong, renewed efforts will have to be made to raise the extrabudgetary funding necessary to meet that demand.

## II. Cluster 2: Formulation of policy recommendations and good practices targeting a policy, financial and regulatory environment conducive to successful public-private partnerships (PPPs)

### A. Expected accomplishment

7. Increased knowledge of good practices and policies targeting a legal and regulatory environment conducive to successful PPPs leading to the formulation of related CECI policy recommendations

#### 1. Indicators of achievement

##### (i) Number of policy recommendations resulting from the exchange of good practices and policy experience among member States

*Performance measures:*

Baseline 2011: 2

Target 2012–2013: 2

Actual 2012–2013: 4

##### (ii) Per cent of questionnaire respondents who find these recommendations useful

*Performance measures:*

Baseline 2011: 73 (refers to all publications)

Target 2012–2013: 80

Actual 2012–2013: 81

#### 2. Statement of Accomplishments

8. Four sets of policy recommendations were prepared on the following topics: (1) best practices on using the public-private partnership (PPP) model in the renovation of public buildings; (2) legislative framework, bidding process, allocation of risk and procurement rules for PPPs in Turkmenistan; (3) enabling framework and project development for PPPs in Kyrgyzstan; (4) developing institutions and procedures, and a national infrastructure plan

for PPPs in Belarus, Moldova and Tajikistan. The policy recommendations on PPPs in the renovation of buildings resulted from the work of the Team of Specialists on PPPs. The policy recommendations on PPPs in Belarus, Kyrgyzstan, Moldova, Tajikistan and Turkmenistan resulted from fact-finding missions by teams of international experts, and from a peer review process with feedback from Governments and industry stakeholders held in the respective countries.

9. 81 percent of questionnaire respondents with expertise in the areas covered by cluster 2 (PPPs) rated the policy recommendations and good practices above as 4 or 5 on a scale of 1 to 5.

### **3. Lessons learned**

10. Similar to cluster 1, demand for national PPPs Readiness Assessments and the resulting policy recommendations is strong, and renewed efforts will have to be made to raise the extrabudgetary funding necessary to meet that demand.

## **III. Cluster 3: Implementation of CECI policy recommendations and good practices on innovative, knowledge-based development in the UNECE region**

### **A. Expected accomplishment**

11. Enhanced implementation of CECI policy recommendations targeting a financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness of enterprises and economic activities.

#### **1. Indicator of achievement:**

- (i) **The number of cases where countries have implemented policy recommendations or have taken practical steps to implement them**

*Performance measures:*

Baseline 2011: 8

Target 2012–2013: 10

Actual 2012–2013: 9

#### **2. Statement of Accomplishments**

12. Countries undertook the following implementation measures: As a result of recommendations from the Innovation Performance Review of Belarus, the country (1) broadened its definition of innovation; (2) introduced changes in intellectual property legislation to assign clearly defined property rights to Research and Development (R&D) organizations and inventors; (3) started to develop policy instruments that accept and manage risk; (4) prepared a draft law on venture financing and the reform of the Belarusian Innovation Fund. The recommendations made in the Innovation Performance Review of Kazakhstan were used by the Government of Kazakhstan in the preparation of (5) a Concept for Innovative Development of the Republic of Kazakhstan until 2020; (6) a methodology for the development of regional innovation systems; (7) the elaboration of priority directions for science and technology, including through the use of technology platforms. In connection with the Innovation Performance Review of Ukraine, the country has (8) made changes to the governance of its innovation activity; (9) has created additional

policy instruments to provide financial support for incubators, business parks and innovation centres. In 2014, the authorities will identify areas for further work to implement selected recommendations.

### 3. Lessons learned

13. The accomplishments above show clearly that the Innovation Performance Reviews are influencing domestic policy debates and that UNECE expertise is appreciated as a source of further inputs to shape policy decisions. Demand for follow-up assistance in policy implementation is growing, reflecting strong interest and the number of Reviews that have already been concluded. Meeting this demand will require raising additional extrabudgetary resources. A significant bottleneck to doing more is the limited capacity of the Division servicing the subprogramme to administer additional resources.

## IV. Cluster 4: Implementation of CECI policy recommendations and good practices targeting a policy, financial and regulatory environment conducive to successful PPPs

### A. Expected accomplishment

14. Enhanced implementation of CECI policy recommendations and good practices targeting a legal and regulatory environment conducive to successful PPPs.

#### 1. Indicators of achievement

- (i) **Number of cases where countries have implemented policy recommendations or have taken practical steps to implement them**

*Performance measures:*

Baseline 2011: 10

Target 2012–2013: 3

Actual 2012–2013: 4

#### 2. Statement of Accomplishments

15. The following 4 implementation steps were reported: (1) Following recommendations made during a PPP Readiness Assessment, Tajikistan adopted a new law on PPPs, which will be further revised in light of additional recommendations made by UNECE. National PPP Readiness Assessments have led to the development of pilot PPP projects in selected sectors in (2) Belarus, (3) Moldova, and (4) Tajikistan.

#### 3. Lessons learned

16. The accomplishments above show clearly that the PPP Readiness Assessments are influencing domestic policy debates and that UNECE expertise is appreciated as a source of further inputs to shape policy decisions. Demand for follow-up assistance in policy implementation is growing. Meeting this demand will require additional extrabudgetary resources to be raised. A significant bottleneck to doing more is the limited capacity of the Division servicing the subprogramme to administer additional resources.

## **V. Cluster 5: Building national capacity to adapt, adopt and implement CECI policy recommendations and good practices on innovative, knowledge-based development in ECE member States**

### **A. Expected accomplishment**

17. Strengthened national capacity in countries with economies in transition to promote good practices and implement CECI policy recommendations targeting a financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness of enterprises and economic activities.

#### **1. Indicators of achievement**

##### **(i) Number of country-level follow-up activities**

*Performance measures:*

Baseline 2011: 18

Target 2012–2013: 18

Actual 2012–2013: 23

##### **(ii) Per cent of questionnaire respondents finding the capacity-building activities useful for their work**

*Performance measures:*

Baseline 2011: 78

Target 2012–2013: 85

Actual 2012–2013: 85

#### **2. Statement of Accomplishments**

18. During the course of the biennium, almost 20 demand-driven capacity-building events targeting a financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness were organized in member States under the auspices of the Committee on Economic Cooperation and Integration and its subsidiary bodies in close cooperation with national government partners as well as with other international organizations. Questionnaire respondents reported 23 country-level follow-up activities.

19. Satisfaction levels at individual capacity-building events ranged from 75 to 100 percent, with an aggregate average of 85 percent of respondents rating events at 4 or 5 on a scale of 1 (not useful at all) to 5 (very useful). Many individuals and institutions participated in more than one event. Capacity-building events also regularly generate additional demand from participants who would like similar or follow-on events to be organized in their countries.

#### **3. Lessons learned**

20. Improvements have been made in the course of the biennium in basing capacity-building and training on specific real-world examples and case studies, as was recommended in the evaluation report of the 2010-2011 biennium. Improvements have also

been made in tailoring capacity-building to the specific needs of different constituencies. As for the other clusters, availability of extrabudgetary funding will be a critical limiting factor in meeting demand.

## **VI. Cluster 6: Building national capacity to adapt, adopt and implement CECI policy recommendations and good practices targeting a policy, financial and regulatory environment conducive to successful PPPs**

### **A. Expected accomplishment**

21. Strengthened national capacity in countries with economies in transition to promote good practices and implement CECI policy recommendations targeting a financial and regulatory environment conducive to successful PPPs.

#### **1. Indicators of achievement:**

##### **(i) Number of country-level follow-up activities**

*Performance measures:*

Baseline 2011: 7

Target 2012–2013: 7

Actual 2012–2013: 9

##### **(ii) Per cent of questionnaire respondents finding the capacity-building activities useful for their work**

*Performance measures:*

Baseline 2011: 78

Target 2012–2013: 85

Actual 2012–2013: 83

#### **2. Statement of Accomplishments**

22. During the course of the biennium, a dozen demand-driven capacity-building events promoting a financial and regulatory environment conducive to successful PPPs were organized in member States under the auspices of the Committee on Economic Cooperation and Integration and its subsidiary bodies in close cooperation with national government partners as well as with other international organizations. Questionnaire respondents reported 9 country-level follow-up activities.

23. Satisfaction levels at individual capacity-building events ranged from 75 to 100 percent, with an aggregate average of 83 percent respondents rating events at 4 or 5 on a scale of 1 (not useful at all) to 5 (very useful). Many individuals and institutions participated in more than one event. Capacity-building events also regularly generate additional demand from participants who would like similar or follow-on events to be organized in their countries.

**3. Lessons learned**

24. As for cluster 5, improvements have been made in the course of the biennium in basing capacity-building and training on specific real-world examples and case studies, and in tailoring capacity-building to the specific needs of different constituencies. Study tours have proven particularly effective. As for the other clusters, availability of extrabudgetary funding will be a critical limiting factor in meeting demand.

## Annex

### Correlation between the Strategic Framework for 2012-2013 and the Biennial Evaluation Logical Framework <sup>2</sup>

**Table A**

**Expected accomplishment of the Subprogramme:** Increased knowledge of good practices and policies on financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness of enterprises and economic activities leading to the formulation of related ECE policy recommendations

**Indicators of achievement:** (a) Number of policy recommendations resulting from the exchange of good practices and policy experience among member States

*Performance measures:*

2008-2009: 6 policy recommendations

Estimate 2010-2011: 8 policy recommendations

Target 2012-2013: 8 policy recommendations

<i>Cluster</i>	<i>Cluster level expected accomplishments</i>	<i>Indicators of achievement</i>
1. Formulation of policy recommendations and good practices on innovative, knowledge-based development in the UNECE region	Increased knowledge of good practices and policies targeting a financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness of enterprises and economic activities leading to the formulation of related CECI policy recommendations	(i) Number of policy recommendations resulting from the exchange of good practices and policy experience among member States  <i>Performance measures:</i> Baseline 2011: 9 Target 2012–2013: 6
		(ii) Per cent of questionnaire respondents who find these recommendations useful  <i>Performance measures:</i> Baseline 2011: 73 Target 2012–2013: 80
2. Formulation of policy recommendations and good practices targeting a policy, financial and regulatory environment conducive to successful public-private partnerships (PPPs)	Increased knowledge of good practices and policies targeting a legal and regulatory environment conducive to successful PPPs leading to the formulation of related CECI policy recommendations	(i) Number of policy recommendations resulting from the exchange of good practices and policy experience among member States  <i>Performance measures:</i> Baseline 2011: 2

<sup>2</sup> Including performance measures from the Programme Budget Narrative 2012 - 2013 extracted from General Assembly document A/66/6 (Sect. 20) dated 31 May 2011.

- Target 2012–2013: 2
- (ii) Per cent of questionnaire respondents who find these recommendations useful
- Performance measures:*  
Baseline 2011: 73  
Target 2012–2013: 80

**Table B**

**Expected accomplishments of the Subprogramme:** Enhanced implementation of the aforementioned ECE policy recommendations

**Indicators of achievement:** (b) Increased number of practical steps taken by Governments and other stakeholders to implement the policy recommendations

*Performance measures:*

2008-2009: 9 practical steps

Estimate 2010-2011: 8 practical steps

Target 2012-2013: 10 practical steps

<i>Cluster</i>	<i>Cluster level expected accomplishments</i>	<i>Indicators of achievement</i>
3. Implementation of CECI policy recommendations and good practices on innovative, knowledge-based development in the UNECE region	Enhanced implementation of CECI policy recommendations targeting a financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness of enterprises and economic activities	(i) Number of cases where countries have implemented policy recommendations or have taken practical steps to implement them  <i>Performance measures:</i> Baseline 2011: 11 Target 2012–2013: 10
4. Implementation of CECI policy recommendations and good practices targeting a policy, financial and regulatory environment conducive to successful PPPs	Enhanced implementation of CECI policy recommendations and good practices targeting a legal and regulatory environment conducive to successful PPPs	(i) Number of cases where countries have implemented policy recommendations or have taken practical steps to implement them  <i>Performance measures:</i> Baseline 2011: 10 Target 2012–2013: 3

Table C

**Expected accomplishments of the Subprogramme:** Strengthened national capacity in countries with economies in transition to promote good practices and implement the aforementioned ECE policy recommendation

**Indicators of achievement:** (c) Increased number of country-level follow-up activities resulting from training and other capacity-building activities

*Performance measures:*

2008-2009: 3 follow-up activities

Estimate 2010-2011: 10 follow-up activities

Target 2012-2013: 12 follow-up activities

<i>Cluster</i>	<i>Cluster level expected accomplishments</i>	<i>Indicators of achievement</i>
5. Building national capacity to adapt, adopt and implement CECI policy recommendations and good practices on innovative, knowledge-based development in ECE member States	Strengthened national capacity in countries with economies in transition to promote good practices and implement CECI policy recommendations targeting a financial and regulatory environment conducive to economic growth, innovative development and higher competitiveness of enterprises and economic activities	(i) Number of country-level follow-up activities  <i>Performance measures:</i> Baseline 2011: 18 Target 2012–2013: 18
		(ii) Per cent of questionnaire respondents finding the capacity-building activities useful for their work  <i>Performance measures:</i> Baseline 2011: 78 Target 2012–2013: 85
6. Building national capacity to adapt, adopt and implement CECI policy recommendations and good practices targeting a policy, financial and regulatory environment conducive to successful PPPs	Strengthened national capacity in countries with economies in transition to promote good practices and implement CECI policy recommendations targeting a financial and regulatory environment conducive to successful PPPs	(i) Number of country-level follow-up activities  <i>Performance measures:</i> Baseline 2011: 7 Target 2012–2013: 7
		(ii) Per cent of questionnaire respondents finding the capacity-building activities useful for their work  <i>Performance measures:</i> Baseline 2011: 78 Target 2012–2013: 85