



**Executive Secretary**  
***Under-Secretary-General***

**Opening**

**by**

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**at**

**High-level Launch webinar of the**  
**UNECE Sub-regional Innovation policy outlook 2020:**  
**Eastern Europe and the South Caucasus**

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Excellencies,

Ladies and gentlemen,

It is my honour to welcome you to the launch of the UNECE Innovation Policy Outlook for Eastern Europe and the South Caucasus. This is a **new, first-of-its-kind flagship publication** of which I am very proud. It reviews and compares innovation policies and institutions in Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine.

The Outlook and today's discussion come at a **critical moment**. The COVID-19 crisis has hit member states with economies in transition particularly severely. Apart from the health crisis itself, Eastern Europe and the South Caucasus face a substantial slump in growth. There's also a need there for sharp increases in public spending to care for the vulnerable and keep the economy afloat. In short: **we have to do more with less**.

Eastern Europe and the South Caucasus had a rocky transition after independence. Many sectors suffered when exposed to markets. Territorial conflicts, political instability, and growing inequality have held back progress. The result was **one of the most severe economic contractions in recent history**. Even so, the region grew considerably over the past decades – **an astonishing achievement**. The question now is: **where do we go from here?**

As we found, **the drivers of growth are running out of steam**. Things like consumer credit, remittances, commodity exports, and building homes and roads, trade networks, and a banking system. There are fewer and fewer “low-hanging fruit”. And social and environmental challenges loom.

**This is why innovation, now more than ever, is so important**. This is about much more than, say, dynamic high-tech startups. Rather, we have in mind a society where everyone – citizens, companies, entrepreneurs, policy makers – **try out new ideas to see what works better**. Ideas for creating value, interacting, forging partnerships, and governing.

This is not easy: but there is an upside.

**Eastern Europe and the South Caucasus has a great foundation to build on**. In this sub region, there are **very high levels of educational attainment**, including in the



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essential M.I.N.T.<sup>1</sup>-fields. These skills will be essential in an increasingly knowledge-based economy. All of your countries show **strong political and social commitment** to innovation. Your **strong tradition of public research** has great potential to serve as a source of ideas and solutions. You have made **impressive progress in reforming governance** and reducing corruption.

All of these are essential elements of vibrant innovation systems.

**Innovation is already happening.** Take the impressive – and unexpected - rise of export-oriented ICT services in Armenia and Belarus. Or the growing new automotive supply sector in the Republic of Moldova. In all of these cases, one **single innovative initiative** triggered a whole new sector of the economy.

But it is not happening enough: we need **many more of these points of light**. The next step is to make sure that such experimentation with new ideas becomes **more systematic across the economy, the society, and the governance structures**.

This is not easy for a very simple reason: we cannot plan innovation and predict the future.

Let me give you a clear and striking example. In 2005, world leaders, experts, and entrepreneurs gathered for the World Summit on the Information Society. The outcome was a very long report. It covered everything you could think of.... But what was interesting was **what it did NOT cover: the rise of social media**, cloud computing, and ubiquitous mobile internet.

Only a few years later, mobile phones and Internet giants such as Facebook, Amazon etc. changed all of that. As you can imagine, if a country used that report as a basis for a detailed, five-year development plan, it would have missed the boat.

This insight is at the core of the UNECE Innovation Policy Outlook: **to support innovation effectively, we need to rethink governance**. Innovation policies and institutions need the flexibility, incentive structure, and wherewithal. Only then can they play the necessary productive, enabling and promoting role in a fast-changing environment.

This includes research and development, political commitment, strong co-ordination structures, regular consultations with stakeholders to scout opportunities and remove

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<sup>1</sup> Mathematics, Information Sciences, Natural Sciences, Technology



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constraints, and targeted support mechanisms. Centrally, though, we should have one clear goal in mind: **to help people try things out that they may not otherwise.**

The Innovation Policy Outlook will guide countries in responding to this imperative. It complements the Global Innovation Index of WIPO. WIPO's new Director General, Mr. Daren Tang, is here today - I warmly congratulate him on this new appointment.

The WIPO GII compiles and ranks over 100 countries using indicators reflecting innovation inputs, such as education levels, and outputs, patents and high-tech export.

**The UNECE Innovation Policy Outlook takes an in-depth look at the scope and quality of innovation policies, institutions, and processes in a small group of countries with similar legacies, opportunities, and challenges.**

The UNECE Innovation Policy Outlook is the fruit of almost two years of intensive cooperation building on strong national ownership and buy-in. I am very **grateful to the Swedish Government** for the generous funding that made this initiative possible. My appreciation goes also to all the engaged and dedicated leaders, national focal points and innovation stakeholders in the target countries. WIPO, OECD and the European Commission have provided valuable input and we have forged new synergies with them. I look forward to continuing this fruitful collaboration on this front.

This process has **already created momentum.** I strongly hope that the dynamic will continue and intensify. UNECE stands ready to support countries in putting the recommendations of this Innovation Policy Outlook into practice.

Thank you.