



# UNECE Principles on Innovation Policy for Sustainable Development

Draft from Task Force  
For Internal use

# Rationale

- to promote innovation for economic **growth** and **competitiveness** and **sustainable, inclusive, and resilient growth**

# Background

- Reflects the **mainstreaming** of innovation policy for sustainable development – i.e. development that meets the needs of the present without compromising the ability of future generations to meet theirs
- Reflect the emergence of **new industrial policies** that aim to pursue a broad development policy agenda but within a generally favourable business climate framework
- New industrial policies recognise the essential role of **markets** and the essential role of **government** and the institutional context conducive to **policy learning and experimentation**

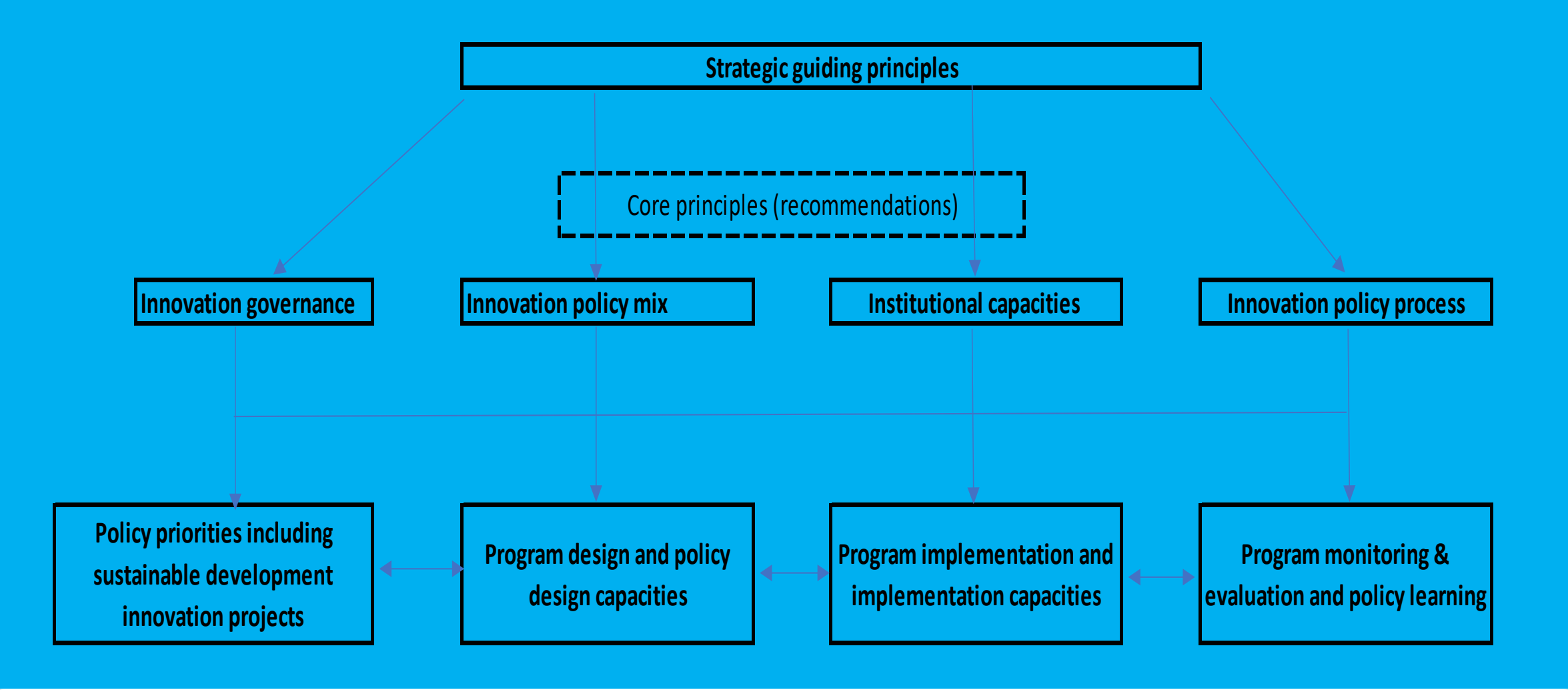
# The Strategic Guiding Principles

- A strong need to **improve the contribution of innovation policy** to technology upgrading and innovation-based growth.
- This requires a qualitatively **new innovation policy** grounded in the research and policy practice
- The criteria for designing and implementing innovation policies that are **nationally specific** and reflect the latest understanding of **'what works'** given the **diversity of income, technological, political and social contexts** of the UNECE economies.

# Key features

- Principles are **non-binding** and serve to provide **general guidance** for innovation policymaking
- **Eleven strategic guiding principles**
- Twelve Core Principles (recommendations) serve as **criteria for establishing all components of the innovation policy system**: innovation governance, policy mix and policy process.
- In all stages of the policy process, the strong focus is on **institutional capacities** for prioritization, design, implementation and learning capacity

# Proposed structure for UN ECE Innovation Policy Principles (v3)



# Strategic Guiding Principles

1. Innovation should be directed towards **competitive, sustainable, resilient, and inclusive** development
2. **Broad** notion of innovation and innovation policy
3. Innovation policy integrated into the overall development strategy (**policy coherence**)
4. **Multi-stakeholder (collective)** nature of Innovation and Innovation policy
5. Innovation policy is a risky and uncertain process that should be tested based on **pilots** and international experiences

# Strategic Guiding Principles

6. A successful policy represents a good **match between policy intention and institutional capacities** for its design and implementation
7. Innovation **governance** which builds on principles of **representativeness, accountability, predictability, clarity, transparency, fairness, the rule of law, and the absence of corruption**, is a precondition of impactful innovation policy
8. Policy mix should be driven by **market failure, system failure and capability failures** considerations and need to align innovation activities to **sustainable and resilient** development



# Strategic Guiding Principles

9. **Improving institutional capacity** for innovation policy requires **engaging** with the private sector, **coordinating** across several public agencies, and ensuring **continuity** of policy whose effects usually extend beyond the electoral cycle.
10. Innovation policy should strive towards a **dynamic policy cycle**, i.e. a cycle where different stages in the policy process are **mutually closely connected**
11. The policy **prioritisation process** requires the involvement of stakeholders in the organised process of public debates about the priorities and their participation in the **policy co-creation**

# GOVERNANCE, POLICY MIX, PROCESS

- **Innovation governance**: Good innovation governance rests on a **participatory approach** to policy development
- **Innovation policy mix**: Innovation policy instruments should target not only **knowledge generation** through R&D but also **knowledge absorption**, **knowledge diffusion**, **demand** for knowledge, and **knowledge linkages**
- **Innovation policy processes**: The innovation policy process should contain agenda setting and prioritisation; decision making about policies and programmes: implementation of policies and programmes; and policy evaluation, including monitoring

# Agenda setting and prioritisation

- Innovation policy agenda should be shaped not only by the government but **in consultation and with the active involvement of innovation governance stakeholders**

# Program design and policy design capacities

- **Policy impact assessment procedures** should be employed in the selection and design of measures..... based on expected **direct and indirect impacts** (technology accumulation, sustainability, employment, export, etc)

# Program implementation and implementation capacities

- Rules and conditions for the implementation of measures should be **publicly available and transparent**
- Whenever possible public support funds should be given based on **performance requirements**
- Program implementation & monitoring should be based on a sound understanding of the existing **technical, operational and political capacities and capabilities**

# Program monitoring & evaluation and policy learning

- Innovation policy requires **dedicated M&E units** within government or agencies with capacities to be engaged partially or fully in the **M&E of innovation policies and instruments**
- Evaluations should not be confined to checking **formal compliance** but should also assess **motivation, inputs, activities, outputs, outcomes, beneficiaries and impacts**
- In the case of limited in-house monitoring & evaluation capabilities, managing organisations can **outsource evaluation and selection** activities and agree on a program of **building in-house M&E capacities.**

# Open questions

- Internationalization and globalization of innovation activities
- Social innovation
- Multilevel governance (regional vs national) in innovation policy
- Mission ('grand challenges') vs sectoral priorities
- .....



**Thank You**