

# Evaluation report

Evaluation of UNECE project titled  
“Promoting innovation policy capacities  
in Eastern Europe and the Caucasus”

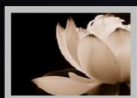


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**Date:**

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# ACRONYMS AND ABBREVIATIONS

AICS	Italian Agency for Development Cooperation
COVID-19	Corona Virus Disease
DAC	Development Assistance Committee
EA	Expected accomplishment
EESC	Eastern Europe and the South Caucasus
EU	European Union
I4SDR	Innovation for Sustainable Development Review
IDP	Internally Displaced Person
IEP	Innovation Enhancing Procurement
IPI	Innovation Policies Index
IPO	Innovation Policy Outlook
IT	Information Technology
MFAIC	Italian Ministry of Foreign Affairs and International Cooperation
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goals
Sida	Swedish International Development Agency
SME	Small and medium-size enterprises
ToR	Terms of Reference
UN	United Nations
UNECE	United Nations Economic Commission for Europe
US\$	United States Dollar
USAID	United States Agency for International Development
%	Percentage

# EXECUTIVE SUMMARY

September 2023

This document constitutes the evaluation report of the UNECE project E317, "Promoting innovation policy capacities in Eastern Europe and the Caucasus" (hereafter referred to as "the project"). It was produced by Dr. Tania Tam, who is a senior international and independent development project evaluator. She was selected by the Programme Management Unit, which is an oversight body that ensures overall coordination of UNECE programme management (planning, monitoring, reporting and evaluation) of all UNECE activities funded from regular and extra budgetary resources.

## **Results summary**

The UNECE project received excellent scores across its four evaluation categories. The project was highly effective, with a stakeholder satisfaction score of 82%. It accomplished all seven expected accomplishments, such as National Innovation for Sustainable Development Reviews (I4SDRs) for Armenia, Georgia and the Republic of Moldova or developing the sub-regional Innovation Policy Outlook (IPO). Stakeholder satisfaction reached 88% for the project's relevance and coherence and 86% for its efficiency, given the excellent UNECE project management and implementation. The sustainability of project results was also very high, with 83% stakeholder satisfaction due to high results ownership. The most direct impact has occurred through the implementation of the I4SDR and IPO recommendations.

## **Project background**

The project was launched in November 2018 and is set to conclude in June 2024 after no-cost extension. As per the project document, the project's main aim was to improve innovation policymakers' competencies in the Eastern Europe and the South Caucasus (EESC) region. The total budget for the project was the equivalent of US\$ 2,215,026.

## **Evaluation purpose and scope**

The evaluation assessed the project's relevance, effectiveness, efficiency, and sustainability in enhancing innovation policy capacities in EESC countries – Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine.

The primary intended audience of the evaluation is the Sida and UNECE staff involved in funding and implementing the project. Secondary intended audiences include beneficiaries and country representatives involved in the project. The Programme Management Unit plans to share the evaluation with other UNECE divisions and accumulate the lessons learned through the evaluation for improving other divisions' work (especially in terms of the "Leave No One Behind" (LNOB) approach). In line with UNECE evaluation policy, the objectives of evaluations are to: (1) Promote organizational learning; (2) Improve programme performance; and (3) Ensure the accountability of the UNECE to member States, senior UN system leadership, donors, and beneficiaries. The evaluation had a duration from May 2023 to August 2023.

## **Evaluation methodology**

For this evaluation, the evaluator used a theory-based evaluation methodology to address the timeline between the project activities, such as capacity building, data collection and analysis, and, for example, changes in policy capacities.

The evaluation reached 74% of the project stakeholders identified by the project team, 49 in total, through in-person interviews during a field visit to Armenia and Georgia (11), telephone and video interviews (20) and an online survey (an additional 18). Thirty-one in-depth semi-structured interviews were conducted, each consisting of 45-60 minutes. During these 31 interviews, all respondents were also asked for survey responses, thus providing 31 quantitative survey responses in addition to 18 respondents filling in the online survey.

UNECE's Project Management Unit vetted project stakeholders interviewed during the evaluation. The surveyed group consisted of policy specialists in innovation and expert stakeholders from international organizations who understand innovation policy. Thus, by its very nature, the group was small but highly relevant and knowledgeable about the evaluation subject. Thirty-one interviews were highly in-depth and, combined with the high level of expertise on both innovation and the project, yielded sufficient quality of input for the evaluation.

Regarding the gender of participants, 20 of the 49 respondents were female (41%), and 29 were male (59%). The field visits to Yerevan and Tbilisi took place in the week beginning June 5, 2023. The online survey launched in mid-July yielded a response rate of 60%, based on the 18 responses received.

The evaluation reach is very satisfactory, given other UN Secretariat evaluation response rates range between 15% and 30%.

## **Evaluation findings, conclusions, and recommendations**

**Relevance and coherence: The project was highly relevant to the six project countries despite conflicts, ongoing political instability, and the pandemic since the project started in 2018.**

The UNECE project gave crucial support to the region, with Sida and UNECE filling a critical gap at the time when the project countries prepared national innovation strategies. The evaluation finds that the project components were relevant, as all other analytical tools on science, technology and innovation (STI) - such as the European Innovation Scoreboard - was less relevant for transition economies, requiring a more sub-regional approach through an Innovation Policy Outlook (IPO) and Innovation for Sustainable Development Reviews (I4SDRs).

The project addressed previously poor coordination among national stakeholders, exacerbated by frequent staff changes in government agencies in all project countries.

As a Geneva-based body with no regional offices, UNECE provided high-quality analytical input using international best practice recommendations to guide other organizations operating on the ground. For example, in the I4SDR of Ukraine, currently at the research stage, a chapter will be analyzing the current reconstruction strategies and suggesting improvements to these strategies. Hence, the project efforts guide the larger international community in working within the EESC region on the topic of science, technology, and innovation, as well as sustainable development more broadly.

The evaluation finds that the Leave No One Behind approach promoted by the United Nations Secretariat was taken very seriously by the project team and showed a high level of coherence during its implementation. Concerning gender equality, the project team considered the equal participation of women and men when organizing training and conferences. This is a small and subtle step but inviting diverse stakeholders to such events ensures that they receive the necessary training and career capital that participating in such events grants and their perspectives are heard.

However, a broader Leave No One Behind prioritization was not reflected in governments' needs and priorities, and results were limited. Hence, greater awareness and education is required among stakeholders about the importance and benefits of integrating gender, human rights and disability perspectives into project design and implementation. It should be noted that human rights and disability were not included in the donor agreement. Thus, the donor did not demand mainstreaming of these considerations. Instead, the donor agreement mentions environmental sustainability and poverty reduction as overarching goals. Both were honoured in UNECE work and in beneficiary countries. One way to promote the integration of gender, human rights and disability in future programming is to establish indicators measuring the impact of these in the programs and relevant targets in the relevant implementation sectors.

For example, regarding gender, monitoring (1) the gender balance among speakers, panellists, and participants at innovation-related events and conferences and (2) equal access or use of mentorship, networking, and professional development opportunities in the innovation space for women and men can reflect inclusivity efforts. Further down the line after implementation of programs, monitoring (3) gender pay gap within industries closely associated with innovation, such as technology and STEM fields and/or (4) and gender distribution in leadership positions within innovation-driven fields or within key roles such as researchers, inventors, entrepreneurs, investors, and decision-makers within innovation-related organizations and institutions can demonstrate any growth or change in LNOB implementation or prioritization in the future.

Regarding disabilities, indicators may include accessibility the degree to which innovation initiatives and technologies consider and incorporate universal design principles, making them accessible to individuals with various disabilities and monitoring the integration and enforcement of accessibility standards and guidelines in innovation policies and practices, ensuring that products, services, and technologies are usable by individuals with disabilities --- for example, the upgrading of online procurement platforms for reading impaired persons.

Regarding human rights, indicators may include (1) the extent to which innovation policies incorporate principles of data protection and privacy, safeguarding individuals' personal information from misuse or unauthorized access, (2) whether innovation policies encourage the development and use of technologies that adhere to ethical guidelines, avoid harm, and prevent discrimination or bias, (3) examination of how innovation policies address the impact of technological changes on employment, job quality, and workers' rights, ensuring fair treatment and protection of workers' rights, and (4) whether innovation policies mention informed consent and individual autonomy when it comes to the collection, use, and sharing of personal data and information.

One notable finding of the evaluation was the constant methodological improvements of UNECE's flagship analytical tools, notably, the I4SDRs and the IPO. Elective chapters were added, meeting direct demand from the countries themselves. This work could now be scaled up to other regions and/or countries with little cost. Operations are already running smoothly in the organization of regular regional policy dialogue sessions and consultations, and in the dissemination of findings and conclusions, making scaling the project up, continuing it, and adapting it to other regions cost-



effective in terms of materials and operations, considering the expertise accumulated and the significant momentum created over these past years.

*Conclusions:* The project addressed a significant sub-regional development cooperation gap through its in-depth support to science, technology, and innovation (STI), in particular its focus on STI policy and governance. The project provided visibility to Sida and UNECE, transferred large numbers of relevant international good policy practices to the region (including lessons learned from Sweden's innovation development journey), and worked closely with all relevant stakeholder groups and to the enhance the region's STI ecosystem. However, not all deliverables reached all countries evenly, and the *Leave No One Behind* approach was supply-driven. The adaptation of the project for any future implementations will be highly cost-effective.

*Recommendations for similar future projects:*

R1: Given its high relevance, it is recommended to i) seek continuation funding to support further Eastern Europe and the South Caucasus countries (especially for ensuring sustainability and continuity); ii) seek new funding to replicate this project for other subregions, such as the Western Balkans or Central Asia. At the same time, this can raise donor visibility and complement investments into the European Union's (EU's) Eastern Partnership (in the case of Eastern Europe and the South Caucasus). UNECE's governance-focused approach using evaluation, accountability, and transparency also aims to reduce corruption and informality in the EESC region, where this issue is of great relevance.

Priority: high, next six months for new project designs.

R 2: Increase awareness among national stakeholders in Member States about the importance of the *Leave No One Behind* approach across policy-making, for example, by adding relevant indicators in the project results framework, and supporting ongoing national processes such as the upgrading of online procurement platforms for reading impaired persons, with a focus on gender, disabilities, and human rights (keeping in mind that the latter two were not included in the project document).

Priority: medium, next 6-12 months for new project designs.

**Effectiveness: The project accomplished two out of three objectives above expectations, with the third one, the implementation of recommendations, showing results in some countries while in others, it is still too early to assess.**

The evaluation found the following results by project objective:

Project objective a) improved policy dialogue:

- The project successfully established a multi-stakeholder dialogue for developing the Innovation Policy Outlooks (IPOs) leveraging UNECE's neutrality as a UN body, using international and local expertise and comparing the six countries.
- The dissemination of lessons learned through UNECE's IPO/I4SDR/CB/dialogue work at its intergovernmental CICPPP and ToS-ICP sessions also enhanced policy dialogue, where hundreds of member States and international organisations representatives listen in and exchange knowledge about innovation.

Project objective b): Improved understanding at the national level of policy options:

- The project successfully improved the understanding of policy options at the national level based on research and the identification of policy challenges and objectives, as well as UNECE trainings and capacity building seminars.
- The policy dialogue mentioned above at the national and international level also contributed to an enhanced understanding of policy options.
- The synergies between UNECE's intergovernmental work, technical assistance, and capacity building were crucial for achieving this project objective. The secretariat studies best international practices and success stories, implements them in less developed member States, and disseminates lessons learned in the process to other member States, feeding the foundation of knowledge UNECE have built over the years.

Project objective c) Enhanced national implementation of UNECE policy recommendations

- The project managed to accomplish many concrete policy change in the areas with potential and demand for change by creating an evidence base and capacity building. Examples include developing and adopting a new procurement law in Georgia emphasising innovation-enhancing procurement (IEP), technology transfer in the Republic of Moldova, and venture capital in Belarus.
- For other countries, the actual implementation of recommendations is too early to tell.
- The project made actionable, targeted, time-bound and prioritized recommendations, and the dialogue with national stakeholders continued to facilitate the implementation of recommendations.

Unexpected project results included the project's ability to bring together diverse stakeholders from countries' innovation ecosystems due to good preparation of the project team and local intelligence on the ground through the use of national experts.

The project performance was affected by positive and negative factors. Positive factors influencing project performance included the quality of the project team, UNECE's convening power, the acceleration of using virtual technology as a COVID-19 mitigation measure, and the project duration of over four years. Concerning the project team, UNECE selected staff from diverse academic backgrounds and established transparent and efficient internal processes and reporting, contributing to efficient and accountable project management.

Negative factors influencing project performance comprised meeting and travel restrictions due to COVID-19, the volatile political situation in the sub-region, which included several armed conflicts inflicting project countries, the economic downturn and turf battles among government stakeholders due to unclear or overlapping internal mandates concerning innovation.

Project-related improvements in policymakers' competencies included policymakers' broadened understanding of innovation concepts transferred from UNECE's expertise. The project mitigated the frequent staff turnover in beneficiary countries through a networking approach, including the technical level in governments. The evaluation finds it too early to assess stakeholder competencies to support environmental sustainability, gender equality, good governance, and economic growth.

Finally, the project systematically involved other United Nations (UN) and non-UN stakeholders in the implementation, including UN country representatives, EU delegations and Swedish embassies, WIPO, OECD, and WEF, showing good coordination with UN stakeholders and other international partners, leading to improved donor coordination and the avoidance of duplication.

*Conclusions:* UNECE's neutrality, expertise and convening power helped engage stakeholders during the project implementation, enhancing knowledge and awareness about innovation policies. The project's positive results were attributed to a proactive and engaged professional team, flexibility, and mitigation of unforeseeable factors. The team's systematic inclusion of UN and non-UN stakeholders benefits Swedish embassies in the project countries by raising the innovation topic on national agendas and sharpening Sweden's profile on this topic in the region.

*Recommendations for similar future projects:*

R 3: In a context where donors increasingly focus on short-term results after 12 or 24 months, UNECE should encourage Sweden and other donors to continue investing in projects with a systems change approach, leading to the implementation of research recommendations as a means to ensure the sustainability of results. A project duration of 5 years is recommended for projects with such an approach.

Priority: medium, next 6-12 months for new project designs.

**Efficiency: the project management was highly professional and an example of excellence for many stakeholders.**

The project has been well-executed, thanks to adequate funding for mobilizing consultants and a professional project team within UNECE, showing an outstanding performance. The project team used international experts and tapped into a network of well-connected national experts. Implementing a focal point approach, which entails centralized coordination in each country, streamlined communication, efficient organization, and better collaboration among stakeholders, while catalysing the project implementation.

While COVID-19-related restrictions and armed conflicts in the region affected the project implementation, requiring no-cost extension, the combination of timely instructions, guidelines, and feedback from an organized project team set a solid foundation for success in the project.

Overall, the project duration for work on behavior change required 4 to 5 years, as it was complex and involved significant efforts to modify people's attitudes, habits, and behaviors.

The evaluation finds high resource use efficiency, for example, during the COVID-19 pandemic. By utilizing technology, such as video conferencing and online training tools, it became possible to connect with a diverse range of individuals and groups remotely, reaching even more stakeholders than during in-person visits. Also, the involvement of local experts was crucial in energizing local stakeholders, particularly during challenging times like a pandemic. Rapid learning in an unprecedented and stressful situation enabled the project team to do many more tasks virtually and combine regular and frequent online meetings with missions, increasing efficiency further in future projects.

*Conclusions:* The project was good value-for-money due to a professional and highly qualified team, efficient implementation, local expert use, and centralized coordination through national focal points during pandemic-related travel restrictions. UNECE even executed deliverables not in the donor agreement using existing funds.

R 4: Building on the good practices of this project, using local experts to gather intelligence on the ground is recommended for similar future projects at the country level. At the same time, national focal points should continue to be appointed for centralized project coordination in project countries.

Priority: medium, next 6-12 months, for new project designs.

**Sustainability: The evaluation finds that, as the project is still ongoing, results are mixed and in different stages across project countries, thus making further continuous follow-up necessary to solidify the results.**

As the project streams ended, countries remained highly engaged to collaborate on the implementation of policy recommendations and support national strategies and initiatives. Ownership of results, institutionalization, and up-scaling are evident in Armenia, Azerbaijan, Georgia, and the Republic of Moldova. However, the evaluation finds that governments still require close support for national strategies and policies is required, including during the review and updating of the latter, for example, in Armenia or the Republic of Moldova.

The evaluation finds that the project's methodology can be replicated in other sub-regions and countries, with some amendments to the current approach and always considering sub-regional contextualization. The upscaling could be undertaken with little cost, given the initial investment in this project for improving the I4SDR review methodology. UNECE also learned much about the operational side of running sub-regional projects, organizing dialogue sessions and consultations, and disseminating findings and conclusions. This similarly makes scaling the project up or adapting it to other regions cost-effective, considering the expertise accumulated within UNECE over the past years.

*Conclusions:* Stakeholders demonstrate a strong buy-in and interest in the project's recommendations, institutionalizing them in many countries, but require continued external support for innovation strategies and policies. The project approach is fit for purpose and ready to be replicated in other sub-regions.

*Recommendations for similar future projects:*

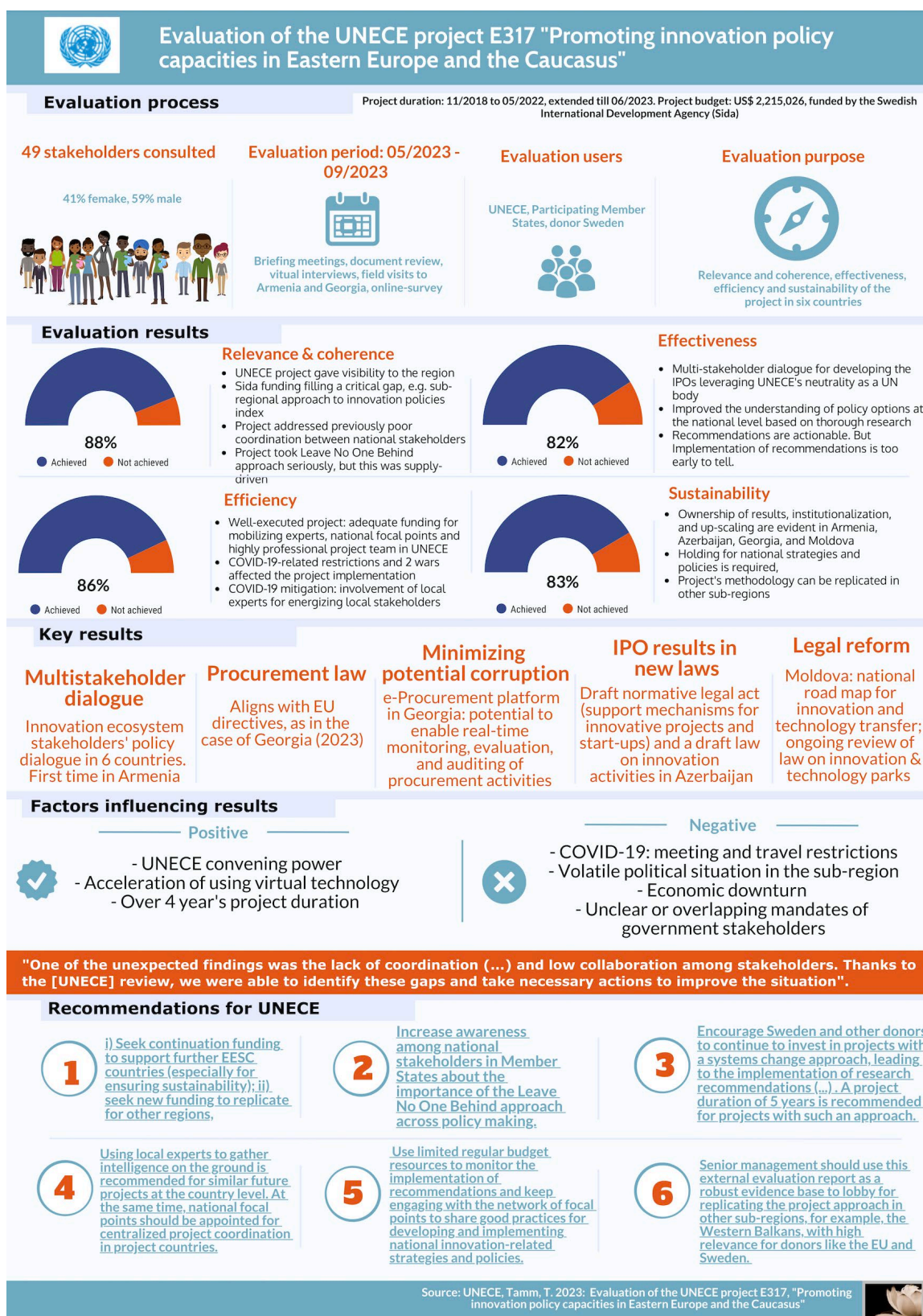
R 5: As a follow-up to this project, UNECE should use its limited regular budget resources to monitor the implementation of recommendations and keep engaging with the network of focal points to share good practices for developing and implementing national innovation-related strategies and policies.

Priority: very high, next 3-6 months for new project designs.

R 6: Senior management should use this evaluation report as a robust evidence base to lobby for replicating the project approach in other sub-regions, for example, the Western Balkans, with high relevance for donors like the EU and Sweden. This should be done, as explained in R 1 by i) seeking continuation funding to support further EESC countries (especially for ensuring sustainability); ii) seeking new funding to replicate for other regions, such as the Western Balkans or Central Asia.

Priority: very high, next 3-6 months for new project designs.

Figure 1: Infographic - Overview of the project and main evaluation results



The evaluation found that the project delivered or “over-delivered” on all seven expected accomplishments listed in the project proposal.

Expected Accomplishment	Deliverable Status	Additional deliverables not included in the initial work plan
<p>A1.1. Develop the methodology for a pilot sub-regional Innovation Policy Index (IPI)* and apply it to six countries (Belarus, Ukraine, Azerbaijan, Armenia, Georgia, the Republic of Moldova). The resulting data and the analysis will be published together with a range of analytical chapters by ECE and a range of contributors that examine the results through a wider analytical and regional perspective. The exact topics will be selected based on the leading concerns that come through in the process or through discussions in UNECE intergovernmental meetings.</p> <p>*Please note that the Innovation Policy Index (IPI) was renamed to Innovation Policy Outlook (IPO)</p>	<p><b>Completed</b> – the IPO was completed in early 2020 and launched at six national high-level meetings and a sub-regional event for a total of seven launches. All the national-level meetings gathered attendance from Deputy Ministers, representatives of international organizations, and the Swedish Ambassadors to the six countries.</p>	<p><u>Additional accomplishments: IIPO (2022), the follow-up interim publication, was completed in 2022.</u></p> <p>It was informed by policy dialogues with IPO focal points that were organized in follow-up to the initial publication and addressed the topics requested by the IPO countries – innovation-enhancing procurement and science-business linkages.</p> <p>The IIPO was launched at the 16<sup>th</sup> session of the Committee on Innovation, Competitiveness and Public-Private Partnerships in front of 227 attendees from member states including Albania, Armenia, Azerbaijan, France, Georgia, Germany, Greece, Italy, Kazakhstan, Kyrgyzstan, Montenegro, North Macedonia, Portugal, the Republic of Moldova, Russian Federation, Tajikistan, Turkey, Turkmenistan, Ukraine, and Uzbekistan, as well as the European Union. Representatives from non-ECE Member States such as Brazil, Egypt, Libya, and several specialized agencies in the United Nations system, including UNICEF, UNCTAD, ESCAP, UNEP, UNDP, UNIDO, and UNHCR, also attended the launch.</p>
<p>A1.2. Conduct National Innovation for Sustainable Development Review of Georgia</p>	<p><b>Completed</b> – the I4SDR of Georgia was launched in late 2020 at a high-level event attended by the Deputy Minister of Foreign Affairs, Deputy Chairperson of the State Procurement Agency, and the Deputy Chairperson of Sakpatenti. The review inspired follow-up capacity building.</p>	<p><u>Additional accomplishments: Handbook on Innovation Enhancing Procurement for Georgia</u></p> <p>In addition to the I4SDR and in follow-up to the request from the Government of Georgia, UNECE published a handbook on Innovation Enhancing Procurement (IEP) for Georgia. This was followed-up by a dedicated study tour on IEP with Georgian officials from the SPA Georgia in Norway.</p>
<p>A1.3. Conduct National Innovation for Sustainable Development Review of the Republic of Moldova</p>	<p><b>Completed</b></p>	<p><u>Additional accomplishments: In 2022, UNECE developed a technology transfer roadmap for the Republic of Moldova.</u></p> <p>The roadmap was requested by the Government of the Republic of Moldova to assist in the development of the new national programme on research and innovation 2024 – 2027. The roadmap was complemented with three capacity building trainings with innovation stakeholders in the country. Though not part of the project agreement, the roadmap and the trainings were developed in</p>



		response to the I4SDR review and supported the implementation of the I4SDR recommendations.
A1.4. Conduct National Innovation for Sustainable Development Review of Armenia	<b><u>Completed</u></b>	Additional accomplishments: I4SDR follow-up roadmap  UNECE is in the process of developing a roadmap of future cooperation with Armenia
A2.1. Conduct twelve tailored to the specific demands of the countries advisory missions (four per each country) on specific policy reforms in the innovation sector in Belarus, Georgia, the Republic of Moldova. Capacity-building agreements including detailed activity plans supporting specific reform efforts to put recommendations from national reviews into practice will be developed together with each beneficiary country.	<b><u>Completed and overdelivered</u></b> (13/12; 16/12 if Armenia and Ukraine are included)* <ul style="list-style-type: none"> <li>• 4/4 Belarus</li> <li>• 5/4 Republic of Moldova</li> <li>• 4/4 Georgia</li> </ul> <p>*Several in-person advisory missions were suspended due to the pandemic, so had to be moved online.</p>	<b><u>Additional accomplishments: advisory missions to Armenia (2022,2023) and a study tour for Ukraine</u></b>  In addition to the three countries listed in the project agreement, UNECE also conducted two advisory missions to Armenia. The last advisory mission to Armenia involved the presentation of the I4SDR results and implications to the Minister of Education, Science, Culture, and Sports, the Minister of High-Tech Industry, the Deputy Minister of Economy, and the Deputy Prime Minister at high-level bilateral meetings with the Executive Secretary of UNECE.  In addition to the three listed countries, UNECE also organized a study tour for a Ukrainian delegation in 2022 within the framework of ToS-ICP to discuss post-war reconstruction (please see below)
A3.1. Conducting six sub-regional capacity building workshops on supporting high growth innovative enterprises and related topics, most of which will be held in the beneficiary countries, with one or two exceptionally in Geneva in connection with CICPPP and ToS-ICP sessions). For each subregional meeting a substantive background document will be developed that will feed into an English-Russian language policy handbook that will be available for all ECE member States.	<b><u>Completed and over-delivered</u></b> (7/6)  Please note: All meetings were conducted online due to COVID	<b><u>Additional accomplishments: as of August 2023, UNECE conducted seven IPO workshops.</u></b>  As mentioned above, these workshops eventually fed into another interim IPO publication requested by member States.
A3.2. Prepare a policy handbook on high-growth innovative enterprises (in English and Russian).	<b><u>Completed</u></b>	Additional accomplishments: none

Though not part of the donor agreement, the activities below were delivered within the same budget in response to member States' demands.

Innovation for Sustainable Development Review of Ukraine	UNECE is conducting an Innovation for Sustainable Development Review of Ukraine with the explicit aim to support Ukraine's recovery and reconstruction efforts.
Innovation Matters Podcast	To bolster its outreach efforts and create a public learning platform on innovation, UNECE launched a podcast series titled "Innovation Matters" in 2022. Currently, the series is at its 11 <sup>th</sup> episode. More information: <a href="https://unece.org/eci/icp/innovation-matters-podcast">https://unece.org/eci/icp/innovation-matters-podcast</a>
Ukraine Study Tour	In November 2022, the Economic Cooperation and Trade Division organized a study tour for Ukrainian officials from the Ministry of Education and Science, Ministry of Economy, and National Academy of Sciences to Geneva. During the tour, the participants discussed the role of innovation policies in supporting a green and circular recovery, exchanged knowledge with experts, and attended high-level discussions with international organizations including UNCTAD, WIPO, and UNEP. The participants also met with UNECE Executive Secretary, Olga Algayerova, to explore UNECE's capacity building and policy development support. The tour was part of capacity-building efforts to support Ukraine's reconstruction and allowed focal points to partake in international dialogue.
Outreach missions to Brussels and Rome to raise awareness of the project and build partnerships	UNECE went on two outreach missions, one to Brussels and another to Rome. During the Brussels mission, we met with officials from the European Union's Joint Research Centre, Horizon Europe and DG Near to discuss the new UNECE project. We discussed cooperation on future reviews and agreed to exchange information and review each other's publications to avoid duplication of efforts. In Rome, UNECE met with stakeholders from the Italian Ministry of Foreign Affairs and International Cooperation (MFAIC) and the Italian Agency for Development Cooperation (AICS). UNECE presented its work streams and exchanged knowledge on innovation-related projects in the UNECE region.



# I Introduction

This document constitutes the evaluation report of the UNECE project E317, "Promoting innovation policy capacities in Eastern Europe and the Caucasus" (hereafter referred to as "the project").

## 1.1 Project Background

According to the project document, "the project will improve the competencies of innovation policymakers in designing, running, reforming, and monitoring effective innovation policies and institutions that make measurable contributions towards long-term economic development and sustainable development."

The three expected accomplishments (EA) comprise the following:

- EA1. Enhanced capacity of national policymakers and stakeholders to analyse and benchmark their innovation policies and institutions in line with UNECE good practices;
- EA2. Enhanced capacity of national policymakers and stakeholders in three countries to design and carry out effective innovation policy and institutional reform;
- EA3. Improved subregional cooperation on harmonisation of innovation policies and institutions

Main project activities comprised:

- Develop the methodology for a pilot sub-regional Innovation Policy Index (IPI) and apply it to six countries
- Conduct National Innovation for Sustainable Development Review of Armenia, Georgia, and the Republic of Moldova
- Conduct twelve tailored to the specific demands of the countries' advisory missions (four per each country) on specific policy reforms in the innovation sector in Belarus, Georgia, the Republic of Moldova
- Conducting six sub-regional capacity-building workshops on supporting high-growth innovative enterprises and related topic
- Prepare a policy handbook on high-growth innovative enterprises (in English and Russian).

The project aimed to address the following Sustainable Development Goals (SDGs): 5, 8, and 9.



## 1.2 Evaluation Purpose and Scope

The evaluation Terms of Reference (ToRs) outline the background of this evaluation as follows:

"to assess the extent to which the objectives of the UNECE project E317, "Promoting innovation policy capacities in Eastern Europe and the Caucasus," were achieved. The evaluation will assess the project's relevance, effectiveness, efficiency, and sustainability in enhancing innovation policy capacities in Eastern Europe and the South Caucasus (EESC) countries – Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine."<sup>1</sup>

UNECE's Innovative Policies Development Section implemented this project starting in November 2018 with an end date of May 2022 and a budget of US\$ 2,215,026. The project benefitted from a non-cost extension till June 2023, given implementation challenges during the COVID-19 pandemic.

The evaluators proposed using the internationally agreed Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) criteria for this evaluation: relevance, effectiveness, efficiency, and sustainability. The impact criterion is not considered in this evaluation, as the time lag is too short between the end of the project in the second quarter of 2023 and the evaluation taking place in parallel. The coherence criterion is subsumed under the relevance criterion.

Annex 1 contains the evaluation matrix for this evaluation, listing the specific evaluation questions related to each evaluation criterion, which defines the evaluation scope further.

It was agreed with the donor that the evaluation would be concluded shortly before the end of the project, and cover the period November 2018 (project beginning) to September 2023. The scope includes all six project countries, with Armenia and Georgia selected for a field visit in June 2023.

This document constitutes the evaluation report of the UNECE project E317, "Promoting innovation policy capacities in Eastern Europe and the Caucasus" (hereafter referred to as "the project"). It was produced by Dr. Tania Tam, who is a senior international and independent development project evaluator. She was selected by the Programme Management Unit, which is an oversight body that ensures overall coordination of UNECE programme management (planning, monitoring, reporting and evaluation) of all UNECE activities funded from regular and extra budgetary resources.

## 1.3 Sampling strategy

The evaluator evaluated all activities under this project, covering the six project countries: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine.

Armenia and Georgia were selected for more detailed examination, as case studies, in this project evaluation. The six project countries (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine) were ranked (1-5) according to their demonstrated interest in participating in project activities. Armenia and Georgia were the top-scoring countries, scoring 5 points each, repeatedly expressing their interest in meetings and making formal requests.

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<sup>1</sup> UNECE, 2023: Evaluation of UNECE project E317 "Promoting innovation policy capacities in Eastern Europe and the Caucasus". Terms of Reference, page 2.

The six countries were also ranked on whether they had recent similar innovation reviews. Armenia and Georgia also ranked most highly on this ranking, scoring 5 points each. Neither Armenia nor Georgia had conducted an innovation review of similar scope in the past five years.

Armenia and Georgia, see Figure 2, were thus chosen for closer examination in the project, and therefore field visits to these countries were organized to produce a detailed review of the project there.

**Figure 2:** Map of the South Caucasus with countries visited during the evaluation: Armenia and Georgia



#### *Background on Armenia:*

Armenia has made noteworthy progress towards achieving innovation-led, sustainable development. Despite the challenges posed by regional and geopolitical instability and the COVID-19 pandemic, Armenia retains a competitive information and communication technology (ICT) sector and a thriving entrepreneurship scene. Well-developed tourism, mining, food processing and agriculture sectors complement pockets of innovation excellence in ICT.

Despite these successes, Armenia still faces challenges in sustaining economic growth and social development. Innovation, or systematic experimentation with new ideas, processes, and products, can be the catalyst for solving these challenges and bolster Armenia's sustainable development. Improvements in innovation policy through intergovernmental coordination, greater use of evidence and evaluation in policymaking, diaspora involvement and revaluation of the current innovation infrastructure mechanisms are necessary to foster innovation. This project is critical to addressing these constraints and supporting Armenia on its journey of economic development.

#### *Background on Georgia:*

A lower-middle-income economy at the crossroads of Eastern Europe and Western Asia, Georgia is an innovation achiever, gaining high scores in the Global Innovation Index. The Georgia Innovation and Technology Agency was instituted in 2013 to coordinate all science, technology, and innovation policy aspects. Critical challenges remain, however, especially in further reforms of institutional project reviews and education.

Project activities aim to contribute to ongoing or planned reform efforts that address central problems that hold innovation systems back in Georgia. They aim to do so by developing assessment tools that help policymakers and other stakeholders understand and benchmark innovation policies and institutions. This approach is coupled with a targeted capacity building that

feeds into specific reform efforts or addresses areas of joint concern. Georgia has made significant strides in adopting legislative and policy reforms to foster gender equality, for example.

## 1.4 Evaluation Methodology

For this evaluation, the evaluator used a **theory-based** evaluation methodology to address the time lag between the project activities, such as capacity building, data collection and analysis, and, for example, changes in policy capacities.

The approach was successfully used in recent evaluations for international organizations, including the UN Secretariat. A theory-based evaluation specifies the intervention logic, also called the "theory of change," tested in the evaluation process. The theory of change is built on a set of assumptions around how the project designers think a change will happen. Logically, it is linked to the project's results framework contained in the project document.

Figure 3 outlines the theory-based evaluation approach using a concept developed by the University of Wisconsin.

Figure 3: Concept of theory-based evaluation



The evaluation reached 74% of the project stakeholders identified by the project team, 49 in total, through personal interviews during a field visit to Armenia and Georgia (11), telephone interviews (20) and an online survey (18). Personal and telephone interviews also contained quantitative survey questions, as in the online survey. Twenty of the 49 interviewees were female (41%), and 29 were male (59%). The field visits to Yerevan and Tbilisi took place in the week beginning June 5, 2023. An online survey launched in mid-July yielded a response rate of 64%, based on the 18 responses received.

The evaluation reach is very satisfactory, given other UN Secretariat evaluation response rates range between 15% and 30%.

**Figure 4: Overview of project stakeholders and interviews accomplished**

	Number of interviews accomplished/number of stakeholders contacted
UNECE	17/17
Intergovernmental organizations	2/2
International experts	5/15
Armenia	11/11
Azerbaijan	2/3
Belarus	1/2
Georgia	8/8
Republic of Moldova	6/6
Ukraine	3/3
Others	7
<b>Total</b>	<b>49/74</b>

Stakeholder mapping was conducted by identifying potential stakeholders based on their involvement in the project. They were then categorized to ensure the identification of inequalities (e.g., gender equality) to prioritize engagement strategies and time accordingly.

Through the Programme Management Unit, 46 direct project stakeholders were suggested from project countries, partners, and independent experts. All were included in this evaluation. Ultimate project beneficiaries, such as enterprises benefitting from innovation policies, were not included in the stakeholder list, given that the project was still under implementation at the time of the evaluation. For the online survey an additional 28 of stakeholders were suggested.

The box below lists the suggested tailored evaluation tools and processes for the project evaluation. This mixed-methods approach aims to ensure rigorous triangulation of data. The full evaluation matrix is presented in Annex 1.

- **Desk review:** the project document and evidence of results achieved such as monitoring and other progress reports;
- **Briefing calls with** the project team and the UNECE Monitoring and Evaluation Unit
- **45-60 minute virtual interview meetings** mainly with relevant national policy makers, practitioners, primary project partners such as the donor, academic partners, and independent experts;
- **Field visit to Armenia and Georgia**
- **Online-survey**
- **Presentation of emerging evaluation findings** following data analysis to the project team, UNECE Monitoring and Evaluation Unit, and the donor;
- **Draft report** for feedback to the Programme Management Unit (quality assurance);
- **Finalization of the evaluation report.**

## 1.5 Evaluation questions

The evaluation matrix in Annex 1 specifies which data collection methods are used for the specific evaluation questions and shows the triangulation approach for each question. The evaluation questions were as follows

### 1. **Relevance: Was the project responding to stakeholders' needs?**<sup>2</sup>

- 1.1. To what extent was the project design appropriate or meeting the needs of beneficiary countries?
- 1.2. To what extent was the project aligned with the SDGs?
- 1.3. What are the takeaways for ensuring the relevance of future UNECE projects?
- 1.4. How have gender, human rights, and disability perspectives been integrated into the project? What results have there been in terms of gender, human rights, and disability?
- 1.5. How can gender and human rights perspectives be better included in future project design and implementation?

### 2. **Effectiveness: Were project results achieved, and how?**

- 2.1. To what extent were the project objectives achieved?
  - Improved policy dialogue on promoting sustained economic growth, innovative development, and greater competitiveness in the UNECE region.

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<sup>2</sup> It is suggested to suppress the original evaluation question number 2 listed in the Terms of Reference “To what extent did the project respond to the priorities and needs of the participating countries? How relevant were they to the countries’ needs and priorities?”, as it is very similar to evaluation question 1.

- Improved understanding at the national level of policy options to promote sustained economic growth, innovative development, and greater competitiveness; and
  - Enhanced national implementation of UNECE policy recommendations and standards on promoting a policy, financial and regulatory environment conducive to sustained economic growth, innovative development, and greater competitiveness.
- 2.1.1. Beyond these objectives, what has been your strategic vision for the project, and how has it changed over the course of the project?
- 2.1.2. What (if anything) has prevented the project from achieving the desired results? Which factors facilitated or hindered the achievement of the project results? What approaches worked well and could be adapted to work in other sub-regions? What are some relevant lessons learned?
- 2.1.3. Did the project deliver any unexpected/unplanned results?
- 2.2. How has the project improved the competencies of innovation policymakers in the participating countries to **design, develop, implement, reform, and evaluate national innovation policies**?
- 2.3. How effectively have the project activities been coordinated (e.g., peer review and information exchange) and integrated (e.g., how the IPO complemented other sub-regional reviews by filling in a gap) with those of other partners, particularly within the context of other UN system entities
- 2.4. How did the **challenges** affect the project and impact the achievement of the expected project objectives?
- 2.4.1. How successfully did the project overcome these?
- 2.5. How effectively has the project improved the competencies of innovation policymakers to support **environmental sustainability, gender equality, good governance, and economic growth**?
- 2.6. What are the lessons learned?
- 3. Efficiency: Were resources used appropriately to achieve results?**
- 3.1. Were the resources adequate for achieving the results?
- 3.2. Were the results achieved on time, and were all activities organized efficiently?
- 3.3. Were the resources adequate for achieving results? Were they well used economically? How could this be improved?
- 4. Sustainability: Are results lasting?**
- 4.1. What ensures that project outcomes would continue after the project ends?
- 4.2. For example, to what extent do the partners and beneficiaries' own' the outcomes of the work? How will stakeholders' engagement continue, be scaled up, replicated, or institutionalized? How will risks be mitigated?



- 4.3. To what extent are the **project's objectives (improve dialogue, improve understanding of innovation governance, build capacity) still valid**? How can the project be **replicated** in other UNECE sub-regions (in particular, the Western Balkans)?

## 1.6 Leaving No-One Behind

This evaluation mainstreams cross-cutting issues such as gender equality, disability inclusion, the environment and human rights as part of the Leaving No One Behind approach<sup>3</sup>. Gender equality, disability inclusion, the environment and human rights are thus addressed in three out of the 18 evaluation questions, as presented in the evaluation matrix in Annex 1 of this Progress Report.

Those evaluation questions are as follows:

Evaluation question 1.4: To what extent were gender, human rights, and disability perspectives integrated into the design and implementation of the project?

Evaluation question 1.5: What results can be identified from these actions?

Evaluation question 1.6: How can gender and human rights perspectives be better included in future project design and implementation?

Gender equality, disability inclusion, the environment and human rights were considered in the document review. In addition, in the stakeholder mapping, particular attention was given to identifying any disadvantaged groups (e.g., gender), existing inequalities and unjust power relations that have influenced the project, in line with UNEG Evaluation Standards.

## 1.7 Limitations

There was an initial delay in contracting the evaluation. However, this was mitigated by the timely support of the project team.

All stakeholders with substantial knowledge of the project were invited to participate in the interviews and surveys. 49 out of 74 stakeholders participated in the end. Thus, not all of the selected stakeholders were available for interviews. As noted previously, 34% of the chosen project stakeholders did not reply to the evaluator's invitation for an interview.

Although this number of quantitative survey respondents (N=49) is still low for generalizability, despite mitigating this shortcoming through an online survey launched towards the end of the evaluation period, the qualitative semi-structured interviews were designed to dovetail with the quantitative survey questions in this mixed approach to balance this limitation and to provide a more robust description in painting a fuller picture of project results.

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<sup>3</sup> The project did not specifically target disability in its project design



## II. EVALUATION FINDINGS

### 2. Relevance and coherence: Was the project doing the right thing?

This section addresses the evaluation criteria of relevance and coherence. The sub-criteria used comprise i) the appropriateness of project design and ii) the integration of gender, human rights and disability perspectives. This section's principal sources of evidence are the document review, virtual interviews, the online survey, and personal interviews during the field visit.

**Key findings: The project was highly relevant to the six project countries, despite conflicts, ongoing political instability, and the pandemic since the project started in 2018.**

- The UNECE project promoted a regional perspective, filling a critical gap and serving to shape national innovation strategies.
- Project components were relevant, as the European Innovation Scoreboard, the Global Innovation Index, and other composite indices were based on output and input indicators, rather than the essential issue of innovation governance and the particular features, challenges, and potential typically shared among transition economies in general and among EESC countries in particular.
- Similarly, the sub-regional approach in most activities was highly relevant, given shared challenges and legacies.
- The focus on innovation governance not only filled an important gap, but also addressed the much neglected issue of monitoring and evaluation of and value-for-money from public spending and support instruments – essential also because of fiscal constraints growing, especially in the wake of the pandemic induced slump.
- The project addressed poor coordination between national stakeholders, exacerbated by frequent staff changes in government agencies in all project countries.
- As a Geneva-based body with no regional offices, UNECE provided analytical input and recommendations to guide on-going or planned donor-funded activities operating on the ground.
- The Leave No One Behind approach promoted by the United Nations Secretariat was taken very seriously by the project designers and during its implementation.
- However, these cross-cutting issues were not as clearly reflected in governments' needs and priorities and results were limited.
- Greater awareness and education seem required among stakeholders about the importance and benefits of integrating gender, human rights and disability perspectives into project design and implementation.
- The project provided visibility to Sida and UNECE, transferred large numbers of relevant international good policy practices to the region (including lessons learned from Sweden's innovation development journey), and worked closely with all relevant stakeholder groups and to the enhance the region's STI ecosystem.
- The project successfully improved the understanding of policy options at the national level based on research and the identification of policy challenges and objectives, as well as UNECE training, and capacity-building seminars.

## 2.1 Appropriateness of project design for meeting the needs of beneficiary countries

The evaluation finds that the project design was relevant for the six beneficiary countries, as the European market is very competitive, requiring a focus on market niches, trade, and service provision through innovation. Hence, the demand was high for the project from the transition economies with historical pockets of excellence but a need for institutional strengthening to make this happen. Governments needed to include the private sector to strengthen the ecosystem for innovation.

The UNECE project gave visibility to the region, with Sida filling a critical gap at the time when the project countries prepared national innovation strategies.

Also, the project provided the basis for peer learning and sharing technical experience despite political tensions among some project countries. One example is the lively community of project country focal points.

As a Geneva-based body with no regional offices, UNECE provided analytical input using best practice recommendations to guide other organisations operating on the ground. For example, in the I4SDR of Ukraine, currently at the drafting stage and to be published in 2024, a chapter will be analyzing the current reconstruction strategies and suggesting improvements to these strategies. Hence, the project efforts guide the larger international community in working within the EESC region on the niche topic of innovation governance.

The project's needs assessment was one of the highly relevant project components. The project managed to engage policy makers with designated focal points and other innovation stakeholders, Non-Governmental Organizations (NGOs), the private sector, business cluster and incubator representatives, and pertinent individuals, to evaluate their needs and experiences. The evaluation finds that this approach was essential to bringing out the added value of the IPO and best practices in the region. This multi-stakeholder approach often brought together stakeholders engaged in innovation for the first time, for example, in Armenia.

At the same time, the region has experienced dramatic political changes since the start of the project, which further enhanced the demand for innovation: the COVID-19 pandemic, supply chain resilience, the trade conflict between the US and China, public unrest in Belarus and the war in Ukraine, which also affects the project country Republic of Moldova.

The following paragraphs assess the relevance of specific project activities:

- Methodology for a pilot sub-regional Innovation Policy Outlook (IPO);
- Advisory missions (four per each country) on specific policy reforms in the innovation sector in Belarus, Georgia, and the Republic of Moldova;
- Sub-regional capacity-building workshops on supporting high-growth innovative enterprises and related topics;

The evaluation found that the above project components were relevant, as the European Innovation Scoreboard was less relevant for the transition economies, requiring a more sub-regional approach to IPO.

Project countries had to catch up to reach Western European levels of competitiveness, but also required sub-regional benchmarks of similar countries with a similar recent history. Learning from neighbours' successes and pitfalls through capacity-building workshops was highly relevant. South Caucasus countries were particularly interested in learning from Eastern European project countries, the latter being more advanced in innovation.

- National Innovation for Sustainable Development Reviews of Armenia, Georgia, and the Republic of Moldova;

The project addressed poor coordination between national stakeholders, exacerbated by frequent staff changes in government agencies in all project countries. The identification of gaps between policy recommendations and implementation was of particular value.

Similarly, the updated review methodology not only enabled the process to run smoothly and the product to be coherent in analysis and recommendations, but provided substantial space for in-depth scrutiny of country-specific areas of political and economic importance. These included innovation-enhancing public procurement in Georgia and diaspora engagement in Armenia – both areas of substantial underused potential.

Although typically innovation centres on capitals and well-developed regions, the project recognized and underscored the importance of diffusion of ideas, especially for using digital technology, to the rest of the country and the economy. This includes absorptive innovation to boost agricultural productivity and compliance with EU requirements for the trade of agricultural products.

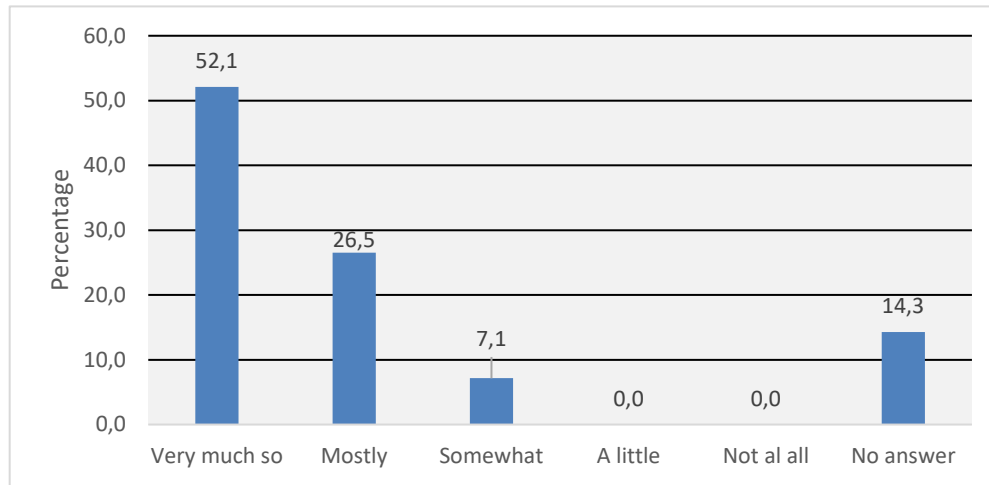
- Policy handbook on high-growth innovative enterprises (in English and Russian).

Awareness about the handbook was uneven across the project countries, which seems particularly limited in the South Caucasus. While policymakers quote the handbook in Belarus, where it is considered a good benchmark, in Ukraine, the handbook and the trainings triggered momentum in Ukraine to address the IHGE angle in a more targeted way, while an official definition of high-growth innovative enterprises is yet to be developed.

The evaluation found common capacity challenges in project countries to work with research results for innovation policy drafting and implementation.

Figure 5 summarizes project stakeholder perceptions concerning the pertinence of the project meeting their needs. The quantitative results are positive, with 52,1% very high (very much so) and 26,5% high ratings (mostly).

Figure 5: Stakeholder perception about the relevance of the project responding to their needs



n=49

## 2.2 Integration of gender, human rights, and disability perspectives

The evaluation found that the Leave No One Behind approach promoted by the United Nations Secretariat was taken very seriously by the project designers and during its implementation. This prioritization was not reflected in governments' needs and priorities.

In the project design and implementation, gender, human rights, and disability perspectives were a fundamental part of the project discussed at the methodology level and during policy analysis. In the section on gender equality, for example, countries evaluated policy framework and programming against it, resulting in a gap analysis to identify a need for policy reform in the I4SDR reports.

The quotes below highlight some voices about the relevance of the gender, human rights, and disability perspectives.

“The focus of this project was science and technology. Hence I did not put emphasis on gender in the countries I worked for the project”.

“These were covered in the IPO research and report. However, these topics are generally pushed by international organizations and less by in-country government”.

“Gender and disability are not well connected when addressing innovation policy, which is targets every person anyway”.

“Rights to economic development are relevant, e.g. for IDPs [Internally Displaced Person] and refugees outside the country”.

Sources: Project stakeholders across project countries

### **2.2.1 Gender, human rights, and disability perspectives: project results**

Overall, stakeholders had challenges finding results related to gender, human rights, and disability, all being part of the UN's Leaving No One Behind agenda.

In Armenia, one recommendation on involving the diaspora in the country's innovation ecosystem related to capacity building and making them welcome in case they want to return, considering the needs of families with small children requiring preschool and elementary education.

In Georgia, the e-Procurement platform is not yet fully accessible for reading-impaired persons, with work progressing. The importance of technology for people with disabilities is recognized, as it can provide them with better job opportunities and intervention. The country benefits from an innovation agenda specifically dedicated to disabled individuals, though the number of programs in place is still limited.

### **2.2.2 Potential including gender and human rights perspectives better in future project design and implementation**

In order to better incorporate gender and human rights perspectives in future project design and implementation, several steps can be taken:

- Research Questions: Both the IPO and I4SDRs had gender-specific indicators. However, it is crucial to expand gender and human rights perspectives in the project's research questions for the IPOs. The project can gather relevant data and information to inform its design and implementation by explicitly addressing these issues. Subsequently, the use of statistical data can help ensure that gender and human rights perspectives are included. By analyzing relevant statistical data, such as gender-disaggregated data and human rights indicators, project planners can better understand the specific challenges and needs faced by different groups and incorporate them into the project design.
- Donor Presence: Donors are vital in promoting gender and human rights perspectives in project implementation. Their involvement and funding can signal the importance of these issues and encourage project stakeholders to prioritize them.
- Government Engagement: It is important to signal to the government the significance of addressing gender and human rights perspectives in project design and implementation. Incentives can be provided to encourage government officials to focus on these issues, such as providing additional funding or recognition for projects that effectively integrate gender and human rights considerations.
- Structural Challenges: It is crucial to acknowledge and address the structural challenges that hinder progress in gender and human rights. For example, in some countries, there may still be traditional and outdated views regarding the role and rights of women. By recognizing these challenges, project planners can develop strategies to challenge and overcome such barriers.

It is important to note that men mainly believe that prioritizing gender, disability, and human rights perspectives might dilute the technical focus of an innovation project. Those perceptions highlight the need for greater awareness and education among stakeholders about the importance and benefits of integrating these perspectives into project design and implementation.

### 3. Effectiveness: Were results achieved, and how?

This section assesses the project results' achievement using the following sub-criteria: i) overview of project objective achievement; ii) evolvement of the project's strategic vision; iii) unintended effects; iv) factors affecting project performance, v) lessons learned, vi) changes in the competences of innovation policymakers, vii) coordination with other UN and non-UN stakeholders and viii) challenges and mitigation.

The principal data sources for this section are the document review, virtual interviews and interviews during the field visits, and the online survey.

**Key findings: The project accomplished two out of three objectives fully or exceedingly, with the third one, the implementation of recommendations, while showing substantial momentum in several cases, requires policies and institutional reforms that will take some time and will benefit from further UNECE support.**

- *Project objective a) improved policy dialogue:*
  - The project successfully established a multi-stakeholder dialogue for developing the Innovation Policy Outlooks (IPOs) leveraging UNECE's neutrality as a UN body, using international and local expertise and comparing the six countries.
  - The dissemination of lessons learned through UNECE's IPO/I4SDR/CB/dialogue work at its intergovernmental CICPPP and ToS-ICP sessions also enhanced policy dialogue, where hundreds of member States and international organisations representatives listen in and exchange knowledge about innovation.
- *Project objective b): Improved understanding at the national level of policy options*
  - The project successfully improved the understanding of policy options at the national level based on thorough research and the identification of policy challenges and objectives.
  - The policy dialogue mentioned above at the national and international level also contributed to an enhanced understanding of policy options.
  - The synergies between UNECE's intergovernmental work, analytical work, technical assistance, and capacity building were crucial for achieving this project objective. The secretariat studies best international practices and success stories, implements them in less developed member States, and disseminates lessons learned in the process to other member States, feeding the foundation of knowledge UNECE have built over the years.
- *Project objective c) Enhanced national implementation of UNECE policy recommendations*
  - The project managed to accomplish concrete policy change in the areas with potential and demand for change by creating an evidence base and capacity building. Examples include developing and adopting a new procurement law in Georgia emphasising innovation-enhancing procurement (IEP), technology transfer in the Republic of Moldova, and venture capital in Belarus.
  - For other countries, the actual implementation of recommendations is too early to tell.
  - The project made actionable, targeted, time-bound and prioritized recommendations, and the dialogue with national stakeholders continued to facilitate the implementation of recommendations.
- Unexpected project results included the project's ability to bring together diverse stakeholders from countries' innovation ecosystems due to good preparation of the project team and local intelligence on the ground through the use of local experts.
- Positive factors influencing project performance included the quality of the project team, UNECE's convening power, the acceleration of using virtual technology as a COVID-19 mitigation measure, and the project duration of over four years.
- Negative factors influencing project performance comprised meeting and travel restrictions due to COVID-19, the volatile political situation in the sub-region, the economic downturn and turf battles among government stakeholders due to unclear or overlapping mandates concerning innovation.
- Changes in policymakers' competences: policymakers broadened their understanding of innovation concepts. The project mitigated the frequent staff turnover the project mitigated this risk through a networking approach, including at the technical level.
- Competences to support environmental sustainability, gender equality, good governance, and economic growth: it is too early to assess changes at this level
- Coordination: the project systematically involved other United Nations (UN) and non-UN stakeholders in the implementation, including UN country representatives, EU delegations and Swedish embassies, WIPO, OECD, and WEF, showing good coordination with UN stakeholders and other international partners.

### 3.1 Overview of achievement of project objectives

This section analyses the project's achievement of its three objectives:

- (a) Improved policy dialogue on promoting sustained economic growth, innovative development, and greater competitiveness in the UNECE region.
- (b) Improved understanding at the national level of policy options to promote sustained economic growth, innovative development, and greater competitiveness; and
- (c) Enhanced national implementation of UNECE policy recommendations and standards on promoting a policy, financial and regulatory environment conducive to sustained economic growth, innovative development, and greater competitiveness.

Project results:

- (a) Improved policy dialogue on promoting sustained economic growth, innovative development, and greater competitiveness in the UNECE region.

The evaluation finds that the project established a multi-stakeholder dialogue in the six project countries for developing the IPOs and for subsequent, regular exchange and work on policy progress. The dialogue was initiated through initial country missions. The variety of stakeholders was particularly valuable for the policy dialogue, and the project increased the number of opportunities for those stakeholders to get together. Stakeholders contributing to the policy dialogue were relevant government agencies, academia, NGOs, business associations and some businesses.

UNECE, being a neutral UN body, using international expertise and local know-how through experts and comparing the six countries were leveraging factors for stakeholders to participate in the policy dialogue. At the same time, those leveraging factors attracted media coverage of the project.

While changes in government staff at the political level affected the dialogue, the involvement of technical staff ensured the continuation of project activities related to dialogue in the project countries.

The dissemination of lessons learned through UNECE's IPO/I4SDR/CB/dialogue work at its intergovernmental CICPPP and ToS-ICP sessions also enhanced policy dialogue, where hundreds of member States and international organisations representatives listen in and exchange knowledge about innovation.

This paragraph summarizes some insight into the policy dialogue at the country level. In Armenia, the government organized policy dialogues every three months, inviting representatives from various sectors and high-ranking experts. Those events provide a platform for the three ministries involved in innovation to talk with each other and learn about their roles and actions.

Concerning Belarus, a valuable dialogue between stakeholders was interrupted by the reactions to social unrest and many innovative private-sector companies leaving the country.

In the case of Ukraine, stakeholder groups like academia, NGOs, or government were previously operating in silos, and the project contributed to more cross-fertilization through dialogue.

- (b) Improved understanding at the national level of policy options to promote sustained economic growth, innovative development, and greater competitiveness; and

The project successfully improved the understanding of policy options at the national level based on thorough research and the identification of policy challenges and objectives. Interim IPOs, many peer reviews on sub-regional and country chapters and panel discussions resulted in a good understanding of options. The policy dialogue mentioned above at the national and international level also contributed to an enhanced understanding of policy options. The synergies between UNECE's intergovernmental work, technical assistance, and capacity building were crucial for achieving this project objective. The secretariat studies best international practices and success stories, implements them in less developed member States, and disseminates lessons learned in the process to other member States, feeding the foundation of knowledge UNECE have built over the years.

Experts observed a broadened interpretation of innovation concepts in project countries, which started with a narrow understanding of digitally oriented start-ups. This enhanced understanding resulted in designing tax incentives and grants for industries as part of a comprehensive framework, showing governments' capacities to formulate policy initiatives and develop action plans with deadlines and budgets. The latter was observed, for example, in the Republic of Moldova. Despite this enhanced understanding, stakeholders reported certain resistance to change at lower political levels. In Ukraine, frequent turnover of staff and staff leaving for the military affected the consistency in stakeholder engagement to enhance the understanding of policy options to promote sustained economic growth, innovative development, and greater competitiveness.

Armenia: The project identified a significant divide in innovation policy among the three ministries in charge of innovation: the Ministry of High Tech, the Ministry of Economy and Science and the Ministry of Education, Culture, and Sports. The review provided a valuable opportunity to address this issue, as there was limited communication among the ministries, resulting in overlaps and unaddressed work. The evaluation found an improvement of understanding for policymakers, for example, on the gaps that need to be addressed.

Azerbaijan: Policymakers enhanced their understanding of the legal framework guiding innovation in the country and addressed any gaps identified by the project.

Belarus: The policy handbook on high-growth innovative enterprises prepared by the project was partly used. The solid research served as a good picture of the country in 2019, before the social unrest and the Ministry of Economy enhanced its understanding of policy options, using the results of other countries as a benchmark.

Georgia: The visit to Norway significantly contributed to understanding the country's approach to innovation and experiencing what innovation procurement is. This experience resulted in the implementation of pilots ready to be scaled up. At the same time, the national procurement policy has been adopted.

- (c) Enhanced national implementation of UNECE policy recommendations and standards on promoting a policy, financial and regulatory environment conducive to sustained economic growth, innovative development, and greater competitiveness.

The evaluation found that the project managed to accomplish concrete policy change in the areas with potential and demand for change by creating an evidence base and capacity building.



Examples include developing and adopting a new procurement law in Georgia emphasising innovation-enhancing procurement (IEP), technology transfer in the Republic of Moldova, and venture capital in Belarus. For other countries, the actual implementation of recommendations is too early to tell.

The project made actionable, targeted, time-bound and prioritized recommendations, and the dialogue with national stakeholders continued to facilitate the implementation of recommendations.

The comparison of countries in their reporting and progress made in implementing recommendations incentivises governments to act. Also, the broad involvement of stakeholders through the project's multi-stakeholder approach ensured the stimulation of the demand and supply side for the implementation of UNECE policy recommendations.

In Armenia, the I4SDR Review was launched towards the end of this evaluation process, and the level of recommendation implementation is too early to tell. Internal dynamics could affect the implementation of recommendations in Azerbaijan, while in the Republic of Moldova and Ukraine, the immediate priority of innovation issues for policymakers seems overshadowed by the war and resulting political and economic tensions. Stakeholders in Ukraine were hopeful that the country's implementation capacities and priorities might be in place after the end of the war. In Georgia, the implementation of the national procurement policy is at its beginning. Progress in implementing policy recommendations in Belarus was affected by the migration of many of the country's innovative entrepreneurs who created innovation ecosystems in other countries, such as Georgia, Poland, and the Baltic countries. In the public sector, no changes appear visible.

Overall, the 18 survey respondents provided positive feedback on the results achievement, as presented in the figure below.

**Figure 6: Perception about the achievement of project objectives**

Project objective	Achievement level
Improved policy dialogue on promoting sustained economic growth, innovative development, and greater competitiveness in the UNECE region	88,3%
Improved understanding at the national level of policy options to promote sustained economic growth, innovative development, and greater competitiveness	91,1%
Enhanced national implementation of UNECE policy recommendations and standards on promoting a policy, financial and regulatory environment conducive to sustained economic growth, innovative development, and greater competitiveness	90,4%

n=18

This sub-section ends with a detailed list of expected accomplishments delivered. The evaluation found that the project delivered all seven all seven expected accomplishments.

**Figure 7: Donor Agreement work Streams delivery**

Expected Accomplishment	Deliverable Status	Additional deliverables not included in the initial work plan
<p>A1.1. Develop the methodology for a pilot sub-regional Innovation Policy Index (IPI)* and apply it to six countries (Belarus, Ukraine, Azerbaijan, Armenia, Georgia, Republic of Moldova). The resulting data and the analysis will be published together with a range of analytical chapters by ECE and a range of contributors that examine the results through a wider analytical and regional perspective. The exact topics will be selected based on the leading concerns that come through in the process or through discussions in our intergovernmental meetings.</p> <p>*Please note that the Innovation Policy Index (IPI) was renamed to Innovation Policy Outlook (IPO)</p>	<p>Completed – the IPO was completed in early 2020 and launched at six national high-level meetings and a sub-regional event for a total of seven launches. All the national-level meetings gathered attendance from Deputy Ministers, representatives of international organisations, and the Swedish Ambassadors to the six countries.</p>	<p><u>Additional accomplishments: IIPO (2022), the follow-up interim publication, was completed in 2022.</u></p> <p>It was informed by policy dialogues with IPO focal points that were organised in follow-up to the initial publication and addressed the topics requested by the IPO countries – innovation-enhancing procurement and science-business linkages.</p> <p>The IIPO was launched at the 16<sup>th</sup> session of the Committee on Innovation, Competitiveness and Public-Private Partnerships in front of 227 attendees from member states including Albania, Armenia, Azerbaijan, Belarus, France, Georgia, Germany, Greece, Italy, Kazakhstan, Kyrgyzstan, Montenegro, North Macedonia, Portugal, the Republic of Moldova, Russian Federation, Tajikistan, Türkiye, Turkmenistan, Ukraine, and Uzbekistan, as well as the European Union. Representatives from non-ECE Member States such as Brazil, Egypt, Libya, and several specialized agencies in the United Nations system, including UNICEF, UNCTAD, ESCAP, UNEP, UNDP, UNIDO, and UNHCR, also attended the launch.</p>
<p>A1.2. Conduct National Innovation for Sustainable Development Review of Georgia</p>	<p>Completed – the I4SDR of Georgia was launched in late 2020 at a high-level event attended by the Deputy Minister of Foreign Affairs, Deputy Chairperson of the State Procurement Agency, and the Deputy Chairperson of Sakpatenti. The review inspired follow-up capacity building.</p>	<p><u>Additional accomplishments: Handbook on Innovation Enhancing Procurement for Georgia</u></p> <p>In addition to the I4SDR and in follow-up to the request from the Government of Georgia, UNECE published a handbook on Innovation Enhancing Procurement (IEP) for Georgia. This was followed-up by a dedicated study tour on IEP with Georgian officials from the SPA Georgia in Norway.</p>
<p>A1.3. Conduct National Innovation for Sustainable Development Review of Republic of Moldova</p>	<p>Completed</p>	<p><u>Additional accomplishments: In 2022, UNECE developed a technology transfer roadmap for the Republic of Moldova.</u></p> <p>The roadmap was requested by the Government of the Republic of Moldova to assist in the development of the new national programme on research and innovation 2024 – 2027. The roadmap was complemented with three capacity building trainings with innovation stakeholders in the country. Though not part of the project agreement, the roadmap and the trainings were developed in response to the I4SDR review and</p>

		supported the implementation of the I4SDR recommendations.
A1.4. Conduct National Innovation for Sustainable Development Review of Armenia	Completed	Additional accomplishments: I4SDR follow-up roadmap  UNECE is in the process of developing a roadmap of future cooperation with Armenia
A2.1. Conduct twelve tailored to the specific demands of the countries advisory missions (four per each country) on specific policy reforms in the innovation sector in Belarus, Georgia, Republic of Moldova. Capacity-building agreements including detailed activity plans supporting specific reform efforts to put recommendations from national reviews into practice will be developed together with each beneficiary country.	Completed and overdelivered (13/12; 16/12 if Armenia and Ukraine are included)* <ul style="list-style-type: none"> <li>• 4/4 Belarus</li> <li>• 5/4 Republic of Moldova</li> <li>• 4/4 Georgia</li> </ul> *Several in-person advisory missions were suspended due to the pandemic, so had to be moved online.	<u>Additional accomplishments: advisory missions to Armenia (2022,2023) and a study tour for Ukraine</u>  In addition to the three countries listed in the project agreement, UNECE also conducted two advisory missions to Armenia. The last advisory mission to Armenia involved the presentation of the I4SDR results and implications to the Minister of Education, Science, Culture, and Sports, the Minister of High Tech Industry, the Deputy Minister of Economy, and the Deputy Prime Minister at high-level bilateral meetings with the Executive Secretary of UNECE.  In addition to the three listed countries, UNECE also organised a study tour for a Ukrainian delegation in 2022 within the framework of ToS-ICP to discuss post-war reconstruction (please see below)
A3.1. Conducting six sub-regional capacity building workshops on supporting high growth innovative enterprises and related topics, most of which will be held in the beneficiary countries, with one or two exceptionally in Geneva in connection with CICPPP and ToS-ICP sessions). For each subregional meeting a substantive background document will be developed that will feed into an English-Russian language policy handbook that will be available for all ECE member States.	Completed and over-delivered (7/6)  Please note: All meetings were conducted online due to COVID	<u>Additional accomplishments: as of August 2023, UNECE conducted seven IPO workshops.</u>  As mentioned above, these workshops eventually fed into another interim IPO publication requested by member States.
A3.2. Prepare a policy handbook on high-growth innovative enterprises (in English and Russian).	Completed	Additional accomplishments: none

Figure 8 summarizes the results of additional work streams that do not pertain to any of the deliverables in the initial donor agreement. Though not part of the donor agreement, these projects were delivered within the same budget in response to member States' demands.

Figure 8: Additional work streams

Innovation for Sustainable Development Review of Armenia	UNECE completed an I4SDR of Armenia and launched it in 2023 at a high-level event attended by the UNECE Executive Secretary, Minister of High-Tech Industry, Deputy Minister of Economy, Deputy Chairman of the Science Committee, Ambassador of Sweden to Armenia and the Interim United Nations Resident Coordinator.
Innovation Matters Podcast	To bolster its outreach efforts and create a public learning platform on innovation, UNECE launched a podcast series titled “Innovation Matters” in 2022. Currently, the series is at its 11 <sup>th</sup> episode. More information: <a href="https://unece.org/eci/icp/innovation-matters-podcast">https://unece.org/eci/icp/innovation-matters-podcast</a>
Ukraine Study Tour	In November 2022, the Economic Cooperation and Trade Division organized a study tour for Ukrainian officials from the Ministry of Education and Science, Ministry of Economy, and National Academy of Sciences to Geneva. During the tour, the participants discussed the role of innovation policies in supporting a green and circular recovery, exchanged knowledge with experts, and attended high-level discussions with international organizations including UNCTAD, WIPO, and UNEP. The participants also met with UNECE Executive Secretary, Olga Algayerova, to explore UNECE's capacity building and policy development support. The tour was part of our capacity-building efforts to support Ukraine's reconstruction and allowed our focal points to partake in international dialogue.
Outreach missions to Brussels and Rome to raise awareness of our work and build partnerships	UNECE went on two outreach missions, one to Brussels and another to Rome. During the Brussels mission, we met with officials from the European Union's Joint Research Centre, Horizon Europe and DG Near to discuss the new UNECE project. We discussed cooperation on future reviews and agreed to exchange information and review each other's publications to avoid duplication of efforts. In Rome, UNECE met with stakeholders from the Italian Ministry of Foreign Affairs and International Cooperation (MFAIC) and the Italian Agency for Development Cooperation (AICS). UNECE presented our work streams and exchanged knowledge on innovation-related projects in the UNECE region.

### 3.2 Strategic project vision and how it evolved

The project's strategic vision evolved to different extents, showing differences between some project countries.

In Armenia, the initial perception of the project evolved, as the project was not limited to just support for start-ups but had a broader scope to promote sustainable development. It aimed to identify gaps and provide recommendations, considering the interconnectedness of the innovation system. The project focused on a systematic approach to address multiple gaps and policy reforms rather than focusing solely on a single issue, such as creating Information Technology (IT) start-ups. This allowed for a comprehensive systemic understanding of the innovation policy, including financing and education aspects, and identifying the adverse effects of innovation. The review system effectively listed the systematic problems that needed to be addressed. It took a systemic perspective, which stakeholders appreciated as their understanding of the project evolved over time.

In Ukraine, although the overall context changed significantly after the beginning of the war in February 2022, engagement with the project actually increased – resulting in an additional I4SD

review outside the commitments in the project document using left-over funds. Ukraine is particularly interested in targeting IHGEs and experimenting with transparent and innovation-enhancing procurement (especially important in view of the substantial increase in donor funding and concessionary lending prospects once a certain degree of stability is secured).

### 3.3 Unexpected effects

The evaluation enquired about unexpected project results, and interviewees appreciated this question, which required some level of reflection.

Those unexpected results are country-specific and specific to thematic components of project IPOs and the I4SDR report.

Many note that they were positively surprised by the project's ability to bring together diverse stakeholders from countries' innovation ecosystems despite institutional bottlenecks and, at times, competing or overlapping mandates and outright turf wars. In this context, the excellent preparation of the project team and local intelligence on the ground through the use of national experts proved invaluable.

“One of the unexpected findings was the lack of coordination in actions and low collaboration among stakeholders. This posed significant challenges in addressing the issues related to Innovation Policy. However, thanks to the review conducted as part of the project, we were able to identify these gaps and take necessary actions to improve the situation.

Source: project stakeholder, Armenia

The participation of high-ranking politicians in some project meetings, even ministers as well as senior staff from academia, was unexpected. The evaluation validated the finding that many young professionals with Western Education were engaged in the project in countries like Armenia or Georgia.

Access to data proved more difficult than expected in some project countries due to transparency issues. Mainly, the war in Ukraine affected data availability due to security concerns and the challenges of collecting data during a war. A spillover effect showed in Republic of Moldova, where political priorities shifted after the beginning of the war in neighbouring Ukraine, which resulted in political tensions in the country.

Another surprising result was that the project was able to adapt and use learnings from the constraints to travel and physical meetings, becoming in a short time able to do virtual meetings and even day-long trainings well, which will continue and complement physical meetings.

Finally, some stakeholders commented on the excellent cooperation between the UNECE project and OECD activities on Small and medium-size enterprises (SME) policy in the region, with exchange and cross-fertilization, for example, concerning the revision of the OECD's methodology.

While in Belarus, Ukraine, the Republic of Moldova, and Armenia, the export-driven IT sector was advanced compared to other countries in the sub-region, the huge potential of innovation and diffusion in the rest of the economy typically receive scant attention. Project activities aimed in part at changing this perspective, and, as a result, some experts were surprised by policymakers' interest in and private sector willingness to launch non-tech companies, not just high-tech ones.

In Georgia, innovation-enhancing procurement was central to the review and to subsequent targeted capacity building activities. Although a promising but nevertheless sensitive and difficult ambition (even among the most developed EU member states), project activities have triggered substantial momentum, including legislative modifications and pilot initiatives, in this area.

Similarly, project-funded research into the role of the diaspora in countries like the Republic of Moldova, with a recent diaspora history, and Armenia, with a diaspora history starting over 100 years ago, revealed fascinating results<sup>4</sup>.

Migrants from lower-paid occupations, working in countries like Romania, Italy or Russia in the case of Moldovan migrants, see opportunities to return and invest in their home countries, but with often very limited capital. However, migrants with higher-paid occupations and more capital show less engagement to return and invest in their home countries. The reason is that migrants with a Western education and integrated into a new society at a middle-income level would likely experience a reduced quality of life if they returned to their home countries. The latter can refer to access to education, access to health or national and personal security.

In the case of Armenia, investments from the diaspora are less linked for persons with Armenian origins to actually return to the country of their ancestors but more in the form of investments, given that migration started around 1914 to 1923, when discord within the Ottoman Empire caused genocide and mass migration.

### 3.4 Factors affecting project performance

Figure 9 summarizes the main positive and negative factors influencing the project performance, as captured during the evaluation.

Among the *positive factors* were the quality of the project team, UNECE's convening power, the acceleration of using virtual technology as a COVID-19 mitigation measure, and the project duration.

The evaluation found in many testimonials from high-level stakeholders, for example, in the I4SDR reports, praise for the highly efficient project team. The results of evaluation interviews endorsed those views. Stakeholders interviewed referred to the excellent performance of a highly professional and technically sound project team in UNECE.

“The [UNECE] team's way of working was highly appreciated. They were disciplined with their work plan. They maintained close communication and coordination with the ministries throughout the project, which facilitated the achievement of the desired results. This approach proved to be effective in ensuring progress and success”.

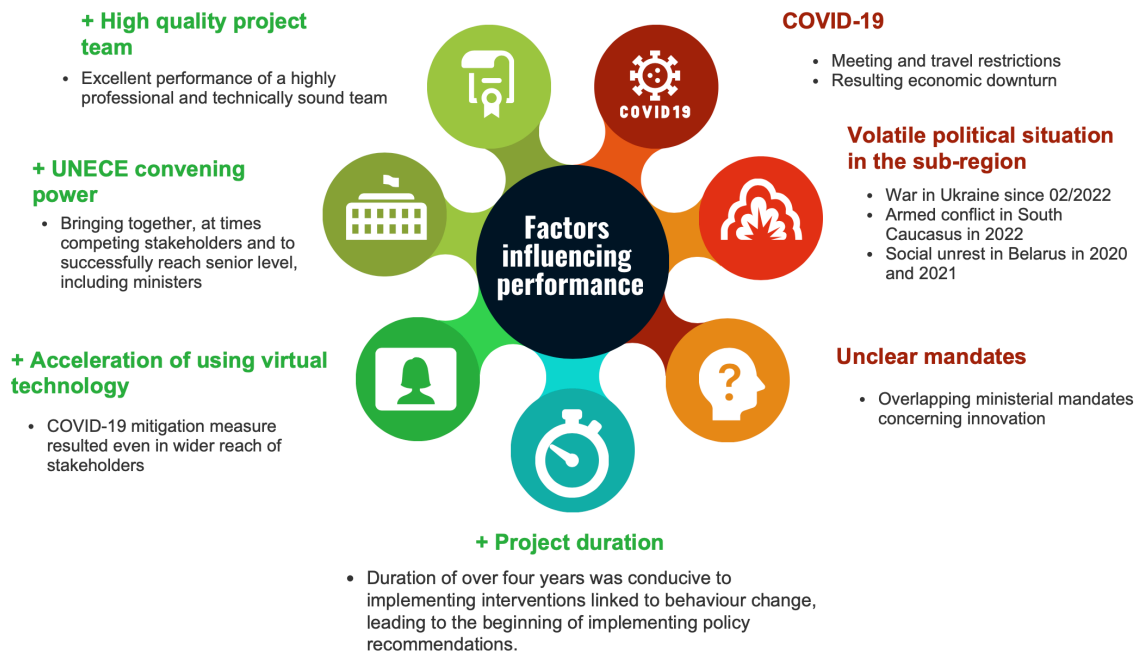
Source: Project stakeholder, Armenia

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<sup>4</sup> See also <http://agevorkyan.com/diaspora/>

Besides, UNECE's strong convening power to bring together, at times competing stakeholders and to successfully reach senior level, including ministers, was another critical success factor.

Figure 9: Factors affecting project performance



Stakeholders witnessed an unprecedented acceleration of virtual meeting technologies as the project team's mitigation of COVID-19 travel restrictions. Those virtual tools allowed for a more comprehensive reach of stakeholders during country consultations, particularly outside capital cities.

Finally, the exceptional duration of over four years for a UNECE project was conducive to implementing interventions linked to behaviour change, leading to the beginning of implementing policy recommendations. A 5-year duration would probably have been preferable in the context of primarily short-term UNECE projects.

**Negative factors** affecting the project performance included COVID-19 and resulting meeting and travel restrictions, the volatile political situation in the sub-region, the economic downturn following the first two limiting factors and turf battles among government stakeholders due to unclear or overlapping mandates concerning innovation.

The pandemic hit project countries between 2020 and 2022, resulting in meeting and travel restrictions. Given the project's use of multi-stakeholder dialogue, missions and meetings, those restrictions significantly affected the project implementation and resulted in delays. Experts interviewed were affected in undertaking their work, particularly the ones not having worked in specific countries before.



Political instability negatively affected the project, too. The ongoing war in Ukraine, social unrest in Belarus in 2020 and 2021, the armed conflict in South Caucasus in 2022, and government changes, for example, in the Republic of Moldova, challenged the project implementation.

As a result of COVID-19 and the beforementioned political instability, the project countries experienced an economic downturn. The unexpected and significant prioritization of public health and military technology in government spending strongly competed with the government's innovation agendas.

Overlapping ministerial mandates concerning innovation was another underlying factor that hindered project implementation. The lack of clarity concerning mandates also contributed to turf battles. The project's dialogue between relevant stakeholders of national innovation ecosystems facilitated, to some extent, the clarification of the ministries' role in the innovation context.

### 3.5 Lessons learned

Regarding lessons learned, stakeholder experience highlighted the importance of adaptability and flexibility in project implementation, particularly in the face of unforeseen circumstances such as the COVID-19 pandemic. It was crucial to have contingency plans and alternative strategies in place to ensure progress even in challenging situations. Additionally, maximizing the involvement of local stakeholders and experts enhanced the project's outcomes and sustainability significantly. The exchange of experiences was very useful. More opportunities like this could have been made, for example, with Eastern European countries or the Baltic States, which are particularly interesting for the South Caucasus.

At the same time, it proved helpful for the ministries to come together and work together on the national innovation agendas. From the UNECE project, national stakeholders learned about each other's work and started with coordination efforts.

However, it would be good to have a longer-term view of such an innovation-focused project, especially regarding implementation. For innovation to be achieved, results need a long period of time to transpire.

### 3.6 Changes in competencies of innovation policymakers

#### ***Competences in designing, developing, implementing, reforming, and evaluating national innovation policies***

The evaluation found that policymakers broadened their understanding of innovation concepts. While government change and turnover of government staff are a constant threat to institutionalizing change, the project mitigated this risk through a networking approach, including at the technical level in government agencies.

The I4SDR reports focused policymakers on specific issues, such as the role of the diaspora in innovation in Armenia or Republic of Moldova. For the follow-up, a monitoring mechanism would be required to trace the implementation of recommendations.

At the same time, the evaluation found that the lack of government support to entrepreneurs to understand the compliance with national regulatory procedures for export certification requirements, for example, to the EU, is one of the biggest hurdles for investment.



Specific changes in national policy-makers' competencies contributed to project results mentioned earlier in this report, including the public procurement policy in Georgia, two innovation-related laws in Azerbaijan<sup>5</sup>, discussions in parliament concerning the technology transfer law in Ukraine, and in the Republic of Moldova, the preparation of the national road map for innovation and technology transfer, and the ongoing review of law on innovation and technology parks.

### ***Competencies to support environmental sustainability, gender equality, good governance, and economic growth***

Most stakeholders judged it too early to tell whether competencies for the above aspects have been created. Overall, significant gaps seem to appear between the good understanding from governments about requirements, for example, concerning export certification and the business sector. The successful involvement of a United States Agency for International Development (USAID) supported IT association in the Republic of Moldova seemed a good practice to reach the business sector better, but rather an exception. Stakeholders commented on the need for policymakers to better include the pockets of excellence in the business sector in the national innovation ecosystems.

In the case of Georgia, the project contributed to good governance through the new public procurement law. The project has promoted good governance and economic growth in Armenia, less in environmental sustainability and gender. The latter two topics appear to be pushed by international organizations but lack internal demand.

## **3.7 Coordination with other UN stakeholders**

The project systematically involved other UN and non-UN stakeholders in the project implementation. UN country representatives, EU delegations and Swedish embassies were consulted in all project countries.

Activities included round table talks, policy dialogue, bilateral meetings and the provision of data and contacts.

Stakeholders also mentioned consultations with the OECD and World Bank local offices in project countries for information exchange. Concerning multilateral development banks, the European Bank for Development and Reconstruction and the Asian Development Bank figured among the stakeholders consulted.

On the UN side, experts and beneficiaries referred to the engagement with agencies like UNDP, UNCTAD, UNIDO, ILO, IOM, UNHCR or UNESCO, depending on the country context.

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Two separate laws were drafted in Azerbaijan based on IPO results in 2022. The draft normative legal act comprising support mechanisms for innovative projects and start ups and a draft law on innovation activities

### 3.8. Challenges and mitigation

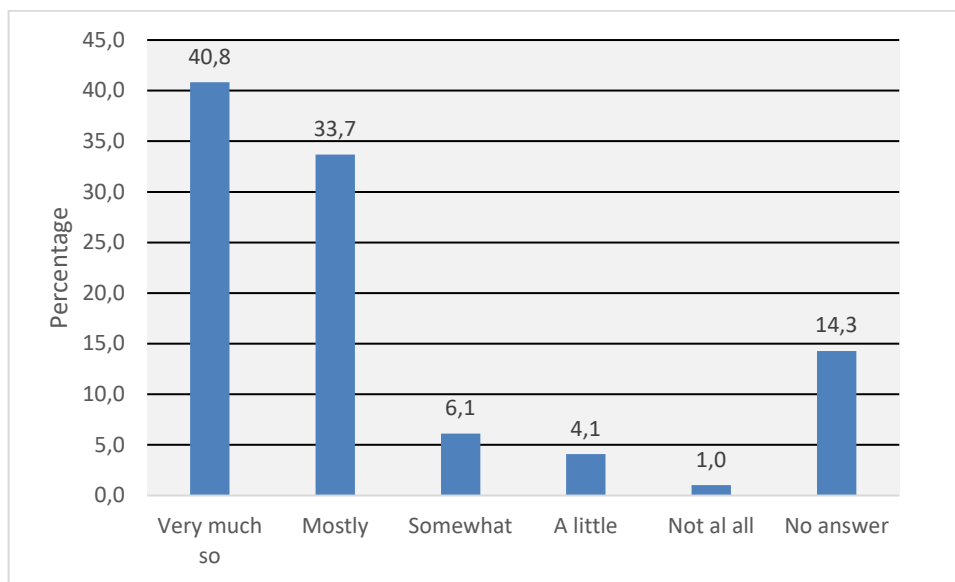
The project encountered the following implementation challenges: i) COVID-19, ii) the war in Ukraine and iii) social unrest in Belarus.

COVID-19 constituted a major challenge during the project implementation for most of 2020 to 2022. For thematic experts, travel to project countries was interrupted, missing observation on the ground. Also, at least one study tour for project beneficiaries to Austria had to be cancelled. The project team was agile in mitigating this shortcoming by engaging stakeholders remotely. Interviews revealed that the online consultations had a much wider reach than personal visits, reaching more persons in more diverse geographic settings of the project countries.

Armed conflict in the South Caucasus and especially, starting February 2022, in Ukraine further challenged the reach of stakeholders in countries with an already complex operating environment. For example, the project team extended the remote engagement with stakeholders for capacity building. In spite of frequent staff changes at the political level, the project ensured continuity by engaging with senior or mid-level officials.

Figure 10 summarizes stakeholder perceptions about the overall effectiveness of the project. Ratings were very positive, with 40,8% very high ratings (very much so) and 33,7% high ratings (mostly).

Figure 10: Stakeholder perception of the project's effectiveness



n=49

## 4. Efficiency: were resources used appropriately to achieve project results?

This section analyses the efficiency of the project. The following sub-criteria are used, as listed in the evaluation matrix: i) adequacy of funding for project results; ii) timeliness of results achievement and efficient organization; and iii) efficiency of resource use.

This section's primary data sources are the document review, virtual interviews, the online survey, and interviews during the field visit.

### **Key findings: Project management was highly professional and an example of excellence for many stakeholders**

- The project has been well-executed, thanks to adequate funding for mobilizing consultants and a professional project team in UNECE showing an outstanding performance. The project team used international experts and tapped into a network of well-connected national experts.
- COVID-19-related restrictions affected the project implementation, requiring a non-cost extension. However, the combination of timely instructions, guidelines, and feedback, along with an organized project team, set a solid foundation for success in the project.
- The project duration for work on systemic change required 4 to 5 years, as it was complex and involved significant efforts to modify people's attitudes, habits, and behaviours.
- The efficiency of resource use showed, for example, during the COVID-19 pandemic. By utilizing technology, such as video conferencing tools, it became possible to connect with a diverse range of individuals and groups remotely, reaching even more stakeholders compared to personal visits.
- The involvement of local experts was crucial in energizing local stakeholders, particularly during challenging times like a pandemic.
- Implementing a focal point approach, which entails centralized coordination in each country streamlined communication, efficient organization, and better collaboration among stakeholders catalysed the project implementation.

### 4.1 Adequacy of funding for project results

The evaluation found that the project has been well-executed, thanks to adequate funding, the involvement of experienced experts, and the outstanding performance of the project team.

The project team used international experts and tapped into a network of well-connected national experts. Funding was adequate for mobilizing consultants and a professional project team in UNECE.

The utilization of experienced consultants brought valuable expertise and insights to the project. The national consultants proved invaluable during the COVID-19 pandemic as the project's intelligence and to reach relevant national stakeholders.

Receiving the highest praise in interviews for excellent project management and proactive communication is a significant achievement. Effective project management is essential for keeping

projects on track, managing resources efficiently, and achieving project objectives within the defined timelines. Proactive communication ensures that stakeholders are well-informed, potential issues are addressed promptly, and collaboration is facilitated among team members.

When project teams are recognized for their excellent project management and proactive communication, it demonstrates their commitment, professionalism, and ability to deliver successful outcomes. This recognition is a testament to their hard work, dedication, and positive impact on the project.

## 4.2 Timeliness of results achievement and efficient organization

COVID-19-related restrictions affected the project implementation, requiring a no-cost extension.

However, the combination of timely instructions, guidelines, and feedback, along with an organized project team that meets deadlines to the extent possible, set a solid foundation for success in the project. The project was well-managed, which increased the likelihood of achieving the desired outcomes within the designated timeline.

Effective communication and timely feedback were crucial for the success of any project. As consultants received clear instructions and guidelines, it helped them understand their roles and responsibilities, enabling them to perform their tasks efficiently.

The project duration for work on behaviour change required 4 to 5 years, as it was complex and involved significant efforts to bring about behavioural changes. Behavioural change projects often need a long-term approach to modify people's attitudes, habits, and behaviours effectively.

## 4.3 Efficiency of resource use

Resource use efficiency emerged, for example, during the COVID-19 pandemic. Virtual country consultations during the pandemic have been an effective way to reach even more stakeholders than personal visits. By utilizing technology, such as video conferencing tools, it became possible to connect with a diverse range of individuals and groups remotely, including those who may be unable to attend in-person meetings due to travel restrictions.

In the context of the Republic of Moldova, for example, virtual country consultations have played a significant role in mitigating the impact of the pandemic. These consultations allow for broader participation, involving stakeholders from different regions, backgrounds, and sectors. This inclusive approach facilitates the exchange of ideas, expertise, and experiences, ultimately leading to more comprehensive and informed decision-making processes.

The **involvement of local experts** was crucial in energizing local stakeholders, particularly during challenging times like a pandemic. Local experts deeply understand their communities' specific context, challenges, and opportunities. Their expertise and ability to communicate effectively with local stakeholders help in encouraging participation and fostering ownership of proposed solutions.

**Implementing a focal point approach**, which entails centralized coordination in each country, can enhance the effectiveness of virtual consultations. Having a designated focal point ensures streamlined communication, efficient organization, and better stakeholder collaboration. This

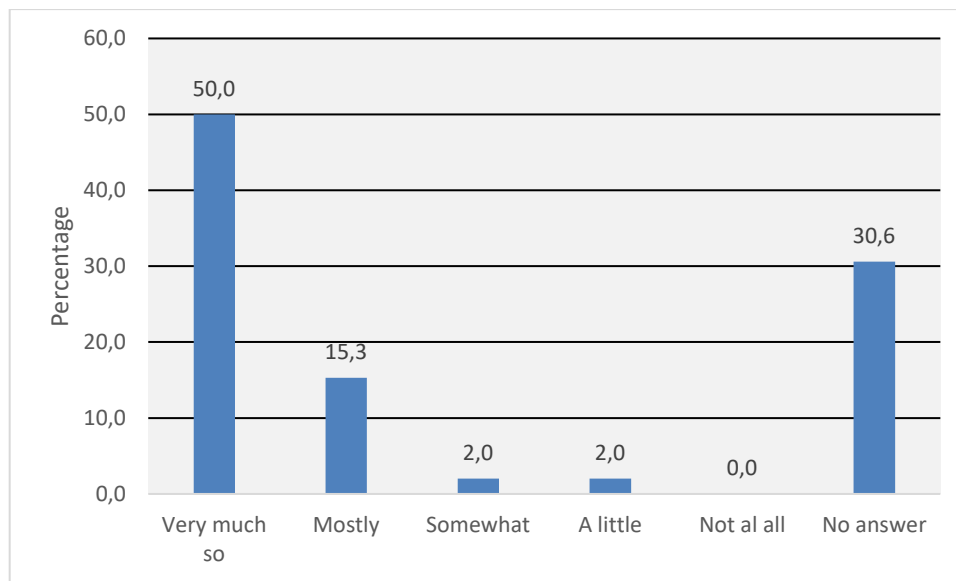
approach facilitated the collection and dissemination of information, the alignment of efforts, and the identification of synergies between different initiatives.

“I was pleasantly surprised by project team. They extended deadlines to allow for the review of document. It was a very friendly and proactive team, while the UN can be very sterile”.

Source: project stakeholder.

Figure 11 provides an overview of stakeholders’ perceptions about the project’s efficiency. While 30,6% of stakeholders were unable to respond to the question due to the lack of insights, 50% very high ratings show (very much so) and 15,3% high ratings (mostly).

**Figure 11: Stakeholder perception about the project’s efficiency**



n=49

## 5. Sustainability: are results lasting?

This section analyses the sustainability of project results using the following sub-criteria: i) measures to ensure the sustainability of project results; ii) ownership of project results, institutionalization, and up-scaling; and iii) potential for replication.

The main data sources used in this section are the document review, virtual interviews, the online survey, and interviews during the field visit.

**Key findings: The evaluation finds that the level of lasting results is mixed across project countries.**

- As the project streams ended, countries remained engaged to collaborate for more policy recommendations and support national strategies and initiatives.
- However, the evaluation finds that handholding for national strategies and policies is required, including support during review and updating of the latter, for example, in Armenia or the Republic of Moldova.
- Ownership of results, institutionalization, and up-scaling are evident in Armenia, Azerbaijan, Georgia, and the Republic of Moldova.
- The evaluation finds that the project's methodology and approach can be replicated in other sub-regions and countries, with some amendments to the current approach and always considering sub-regional contextualization.

While according to stakeholder perceptions, the sustainability rating for project results reaches 94%, 33% of stakeholders stated that it was too early to see lasting results.

### 5.1 Measures to ensure sustainability of project results

The evaluation identified varying measures to ensure the sustainability of project results according to country contexts and the maturity of national innovation ecosystems.

Overall, countries remained in touch to continue collaborating for more policy recommendations and support national strategies and initiatives. Following the set-up of the sub-regional platforms, countries are eager to perform well, and the evaluation found that the project incentivizes countries to perform well on those indicators. Foundations for change have been created.

However, the evaluation finds that hand-holding for national strategies and policies is required, including support during the review and updating of the latter.

Azerbaijan: The Ministry of Innovation has been established in Azerbaijan, indicating a commitment to promoting innovation. Additionally, two draft laws related to innovation are currently being considered. Unfortunately, no specific details were provided regarding the content of these draft laws.

In Armenia, ensuring the sustainability of project results, particularly in the context of national innovation ecosystems, could be achieved through a combination of policy measures. Suggestions to help the government implement recommendations and develop financial schemes to channel private investments include:

1. Establish a National Innovation Strategy: The government should develop a comprehensive strategy that outlines the vision, objectives, and action plan for fostering innovation and sustainable development in Armenia. The innovation agenda requires incorporation in policy making. While policymakers have competing priorities and tend to focus on broader strategic tasks, support is required from task forces or other kinds of dedicated teams in the ministries or by external actors such as the SDG Innovation Lab.
2. Strengthen the SDG Innovation Lab: The SDG Innovation Lab can serve as a platform for collaboration between the government, private sector, academia, and civil society.
3. Enhance Access to Finance: To develop financial schemes and attract private investments, the government should focus on improving access to finance for innovators and entrepreneurs. This can be done by establishing dedicated funds, venture capital networks, and innovation grants that provide financial support to promising projects. Public-private partnerships can also be encouraged to leverage private sector resources for innovative projects.

Belarus: Following political unrest in 2020-21, many private sector innovators left the country. Despite this, IPO reviews continue. However, it seems that the overall innovation ecosystem in Belarus has been negatively affected by the situation.

In Georgia, the evaluation revealed examples demonstrating the government's efforts in policy change and the implementation of reform agendas. These measures collectively demonstrate Georgia's commitment to modernizing its procurement system, enhancing transparency, and promoting efficient resource allocation in the public sector. By implementing these reforms, Georgia aims to create a favourable environment for businesses, attract investments, and ensure public funds' effective and accountable use.

Examples of measures in Georgia are:

1. Public Procurement Policy and Law: Georgia approved a new public procurement policy and law in March 2023. This development signifies a significant step towards ensuring transparency and efficiency in the public procurement process. The policy and law were formulated through a four-year process involving extensive consultations with stakeholders and experts in the field. The objective is to improve accountability, prevent corruption, and enhance competition in public procurement.
2. E-Procurement Platform: To address transparency issues in the public sector, Georgia has implemented a functioning e-Procurement platform. This digital platform allows for electronically submitting and managing procurement bids and contracts. By transitioning to an online system, the government aims to reduce bureaucracy, enhance transparency, and increase efficiency in the procurement process. The e-Procurement platform has the potential to enable real-time monitoring, evaluation, and auditing of procurement activities, thereby minimizing the potential for corruption.
3. Mandatory Innovative Procurement: Starting January 2025, Georgia will make innovative procurement mandatory. This policy directive emphasizes the importance of

utilizing innovative and advanced technologies, approaches, and solutions in procurement.

Republic of Moldova: The country has developed a national road map for innovation and technology transfer, which suggests a focus on advancing technological innovation. There is also an ongoing review of the law on innovation and technology parks, indicating efforts to create a favourable environment for innovation. However, the establishment of a National Innovation Council is still pending.

Ukraine: Due to the ongoing war and military investments, high-level political prioritization for innovation seems to be suffering in Ukraine. Similar challenges are faced by the Republic of Moldova as well. It suggests that the Ukrainian government focuses more on military-related matters than on promoting innovation and technological advancement.

## **5.2 Ownership of project results, institutionalization, and up-scaling**

Ownership of results, institutionalization, and up-scaling are important aspects of any development or innovation agenda. The evaluation found the following country insights:

1. In Armenia, there is a desire to enhance collaboration and cooperation between the scientific community, business associations, and non-governmental organizations (NGOs). This aims to foster innovation, boost economic development, and address the specific needs of industries such as the IT, wine, and tourism sectors. The I4SDR publication was extremely well received, including at a well-attended, very high-level launch event. The government and UNECE are already working on a roadmap to implement recommendations.
2. Azerbaijan has an ambitious agenda and is interested in more frequent sub-regional Innovation Policy Outlooks (IPOs). Institutionalization is also essential, as it involves embedding the processes and structures related to IPOs into the country's existing institutional framework. This includes establishing a dedicated regulatory body, creating legal and policy frameworks, and ensuring transparency and accountability throughout the IPO process. In this context, the country has made two laws related to innovation. Azerbaijan has officially requested an I4SDR to be carried out by UNECE.
3. In Belarus, policy recommendations are being used as a backup to push for the adoption of proposals in parliament. Hence, the project responded to the need for evidence-based decision-making and a recognition of the importance of research and analysis in shaping policies. The current situation, however, seems less conducive to advancing innovation in the country, with many private-sector actors having left the country.
4. Georgia: The government designed and adopted a law on public procurement, which mainstreams innovation enhancing procurement and is considered one of the biggest successes of the whole project. Learning from this success, the institutionalization, and upscaling of initiatives, it is crucial to foster a sense of ownership among relevant government agencies, embed the changes within existing systems and structures, build capacities for internal training, and involve employees at all levels to ensure continuity. The latter is critical due to the frequent staff changes in government agencies' management. Each new management team tends to bring its own agenda and may not fully appreciate the previous efforts. This underscores the importance for UNECE of reaching mid-level and lower-level technical staff, too. Stakeholders



highlighted the importance of a study tour to Norway to learn from good practices in Western European procurement policies and to establish contacts with Norwegian counterparts.

5. the the Republic of Moldova, subsequently to the I4SDR publication, a joint Government-UNECE task force was established to develop an innovation roadmap, leading to already significant reforms including legal framework adjustments, strategy development, and an enhanced SME-research collaboration framework. Whether national or donor funding is available to advance the innovation agenda is questioned. Ownership of results in this context means that the Republic of Moldova takes responsibility for driving the innovation agenda and ensuring its successful implementation. This requires a commitment from the government to allocate resources, both financial and human, to support innovation activities. Institutionalization involves creating structures and processes within the government to coordinate and oversee the implementation of the innovation agenda. Several steps in this direction have been taken already.

6. Ukraine: Following the beginning of the war, Ukraine is undertaking comprehensive reconstruction and modernization plans that will require an innovation policy. In this case, ownership of results means that Ukraine should take ownership of the outcomes and benefits of these reconstruction and modernization efforts, which are currently hindered by frequent staff turnover and a strong focus on the country's military efforts. UNECE is supporting Ukraine within this project along three high-impact avenues:

I. Supporting the drafting of national and international reconstruction strategies to ensure they are coherent and do not overlap + ensure innovation plays a part in revitalizing the nation's infrastructure, economy, and social fabric post-conflict.

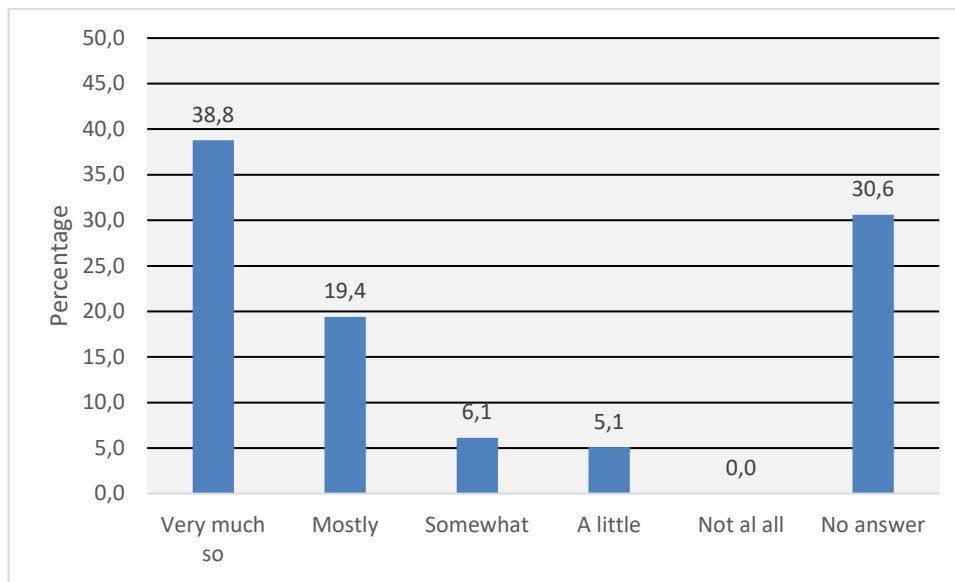
II. Contributing to the upcoming National Technology Development Strategy and Roadmap, based on innovation policy practices from other countries that have undergone armed conflicts, like Western Balkans, Armenia. UNECE will leverage its unique role of facilitating the exchange of specific practices between member States.

III. Enhancing policy evaluation and monitoring to make sure incoming international funds are spent correctly. Evaluation and monitoring practices in Ukraine were weak and there is an imperative to enhance capacity to fight the misuse of funds.

7. At the regional level, the Innovation Policy Outlook was launched in 2020. The process gave birth to a unique policy exchange forum on innovation policy in Eastern Europe and the South Caucasus, which has grown organically and now meets regularly and semi-autonomously with limited resource needs.

Figure 12 analyses stakeholders' perceptions about the project's efficiency. While 30,6% of stakeholders were unable to respond to the question, as they felt it was too early to tell whether project results would last, 38,8% very high ratings were given (very much so) and 19,4% high ratings (mostly). Medium ratings achieved 6,1%(somewhat) and low ratings 5,1% (little).

Figure 12: Stakeholder perception about the project's sustainability



n=49

### 5.3 Potential for replication

Based on stakeholder feedback, the evaluation finds that the project's methodology and approach can be replicated in other sub-regions and countries.

Stakeholders clarified that for the replication of the UNECE project, the EC's Policy Support Facility and other similar support by EC would require consideration in Eastern Partnership countries.

National stakeholders would require more support in disseminating research results and conducting information campaigns for a broader outreach to wider stakeholder groups. The importance of peer-to-peer learning across a sub-region, e.g. based on specific chapters of the I4SDR, would be desirable.

For replication, stakeholders would find it beneficial to publish the research methodology for transparency reasons and trust creation. Stakeholders would benefit from knowing the research questions in advance and clarifying the research purpose.

However, the evaluation also identified limitations of replicating project results. The box below exemplifies limitations concerning the replicability of Georgia's procurement platform.

“I strongly believe that the evaluation of procurement practices cannot be universally applicable due to the significant differences among countries. Each country has its own unique economic level, policies, public administration model, governance model, and traditions. For example, Armenia has a small department for public procurement policy, while Azerbaijan and Ukraine have different models. The Republic of Moldova, on the other hand, has no secondary legislation in place. It is challenging to evaluate and replicate practices across such diverse contexts. In my country, we have a strong focus on secondary legislation and a well-established governance system with electronic procurement, e-payment systems, and efficient processes.

The project we are currently working on is only possible because of the new law that includes provisions for innovative procurement. Without these tools and provisions, the project would be meaningless. Our aim is to implement these provisions effectively and ensure that they are part of the legal framework. We are already conducting training modules, workshops, and seminars to promote this knowledge. By 2025, it will be mandatory in my country to procure innovative goods and services, and we are already promoting the use of electronic procurement procedures and tools”.

Source: project stakeholder, Georgia

Learning from the implementation of the project, the following possible scenario emerges for replicating the project in other UNECE sub-regions:

- Situation analysis: readiness assessment for developing innovative ecosystems, also considering differences between maturity in urban and rural settings, as well as the current policy environment
- Activation of the innovation ecosystem and local connectedness to create a sense of community for network development and dialogue: government, private sector, academia
- Research: IPO, sub-regional benchmarks,
- Study tours: showcasing examples from other parts of Europe, e.g. Baltic countries and Central/Western European countries
- Capacity building, focusing on i) government to reach policymakers who are in charge of driving innovation policy development, e.g. through a training of trainers approach; and ii) academia, to create or adapt curricula in universities and training institutes
- Complementing this approach through a private sector angle:
  - Identification of crucial stone businesses
  - Analysis of the potential for amplification of investments in innovation
  - Linkages of keystone businesses to innovation ecosystems, including academia
  - Identification of possible geographic or sector innovation clusters

## Section III: Conclusions and Recommendations

The following conclusions and recommendations emerge based on the main findings summarized at the beginning of the findings' sections for each evaluation criterion. Figure 13 presents the logical flow from key findings to conclusions and recommendations. **As the project is about to end, all recommendations are for similar future projects.**

The following conclusions and recommendations emerge based on the main findings summarized at the beginning of the findings' sections for each evaluation criterion. Figure 13 presents the logical flow from key findings to conclusions and recommendations. **As the project has ended, all recommendations are for similar future projects.**

Figure 13: Summary of key findings, conclusions, and recommendations

	Key findings	Conclusions	Recommendations for similar future projects
Relevance and coherence	The UNECE project promoted a regional perspective, filling a critical gap and serving to shape national innovation strategies.	The project addressed a significant sub-regional development cooperation gap through its in-depth support to science, technology, and innovation (STI), in particular its focus on STI policy and governance. The project provided visibility to Sida and UNECE, and transferred large numbers of relevant international good policy practices to the region (including lessons learned from Sweden's innovation development journey).	R1: UNECE: Given its high relevance, it is recommended to i) seek continuation funding to support further Eastern Europe and the South Caucasus countries (especially for ensuring sustainability and continuity); ii) seek new funding to replicate this project for other subregions, such as the Western Balkans or Central Asia. At the same time, this can raise donor visibility and complement investments into the European Union's (EU's) Eastern Partnership (in the case of Eastern Europe and the South Caucasus). UNECE's governance-focused approach using evaluation, accountability, and transparency also aims to reduce corruption and informality in the EESC region, where this issue is of great relevance.  Priority: high, next six months for new project designs
	Project components were relevant, as the European Innovation Scoreboard, the Global Innovation Index, and other composite indices were based on output and input indicators, rather than the essential issue of innovation governance and the particular features, challenges, and potential typically shared among transition economies in general and among EESC countries in particular.		
	Similarly, the sub-regional approach in most activities was highly relevant, given shared challenges and legacies.		
	The focus on innovation governance not only filled an important gap, but also addressed the much neglected issue of monitoring and evaluation of and value-for-money from public spending and support instruments – essential also because of fiscal constraints growing, especially in the wake of the pandemic induced slump.		
	The constant methodological improvements of UNECE's flagship analytical tools, notably, the I4SDRs and the IPO. Elective chapters were added, meeting direct demand from the countries themselves. This work could now be scaled up to other regions and/or countries with little cost.		
	The project provided visibility to Sida and UNECE, transferred large numbers of relevant international good policy practices to the region (including lessons learned from Sweden's innovation development journey), and worked closely with all relevant stakeholder groups and to the enhance the region's STI ecosystem. The project provided visibility to Sida and UNECE, transferred large numbers of relevant international good policy practices to the region (including lessons learned from Sweden's innovation development journey), and worked closely with all relevant stakeholder groups and to the enhance the region's STI ecosystem.		

	The project successfully improved the understanding of policy options at the national level based on research and the identification of policy challenges and objectives, as well as UNECE training, and capacity-building seminars.		
	The project addressed previously poor coordination between national stakeholders, exacerbated by frequent staff changes in government agencies in all project countries.	The project worked closely with all relevant stakeholder groups and to the enhance the region's STI ecosystem. However, not all deliverables reached all countries evenly, and the Leave No One Behind approach was supply-driven. The adaptation of the project for any future implementations will be highly cost-effective	R2: UNECE: Increase awareness among national stakeholders in Member States about the importance of the Leave No One Behind approach across policy-making, for example, by adding relevant indicators in the project results framework, and supporting ongoing national processes such as the upgrading of online procurement platforms for reading impaired persons, with a focus on gender, disabilities, and human rights (keeping in mind that the latter two were not included in the project document).  Priority: medium, next 6-12 months for new project designs
	As a Geneva-based body with no regional offices, UNECE provided analytical input and recommendations to guide on-going or planned donor-funded activities operating on the ground.		
	The Leave No One Behind approach promoted by the United Nations Secretariat was taken very seriously by the project designers and during its implementation. However, these cross-cutting issues were not as clearly reflected in governments' needs and priorities and results were limited.		
	Greater awareness and education seem required among stakeholders about the importance and benefits of integrating gender, human rights and disability perspectives into project design and implementation.		
Effectiveness	The project established a multi-stakeholder dialogue for developing the IPOs leveraging UNECE's neutrality as a UN body, using international and local expertise and comparing the six countries. The dissemination of lessons learned through UNECE's IPO/I4SDR/CB/dialogue work at its intergovernmental CICPPP and ToS-ICP sessions also enhanced policy dialogue, where hundreds of member States and international organisations representatives listen in and exchange knowledge about innovation.	UNECE's neutrality and convening power helped engage stakeholders during the project implementation, enhancing knowledge and awareness about innovation policies.	See R 1.
	The project successfully improved the understanding of policy options at the national level based on thorough research and the identification of policy challenges and objectives. The policy dialogue mentioned above at the national and international level also contributed to an enhanced understanding of policy options.	The project's positive results were attributed to a proactive and engaged professional team, flexibility, and mitigation of unforeseeable factors.	R3: UNECE: In a context where donors increasingly focus on short-term results after 12 or 24 months, UNECE should encourage Sweden and other donors to continue investing in projects with a systems change approach,

<p>The synergies between UNECE's intergovernmental work, analytical work, technical assistance, and capacity building were crucial for achieving this project objective. The secretariat studies best international practices and success stories, implements them in less developed member States, and disseminates lessons learned in the process to other member States, feeding the foundation of knowledge UNECE have built over the years.</p>		<p>leading to the implementation of research recommendations as a means to ensure the sustainability of results. A project duration of 5 years is recommended for projects with such an approach.</p>
<p>The project managed to accomplish concrete policy change in the areas with potential and demand for change by creating an evidence base and capacity building. Examples include developing and adopting a new procurement law in Georgia emphasising innovation-enhancing procurement (IEP), technology transfer in the Republic of Moldova, and venture capital in Belarus.</p> <p>For other countries, the actual implementation of recommendations is too early to tell.</p> <p>The project made actionable, targeted, time-bound and prioritized recommendations, and the dialogue with national stakeholders continued to facilitate the implementation of recommendations.</p>		<p>Priority: medium, next 6-12 months for new project designs</p>
<p>Unexpected project results included the project's ability to bring together diverse stakeholders from countries' innovation ecosystems due to good preparation of the project team and local intelligence on the ground through the use of local experts.</p>	<p>Unexpected project results were positive and underscored the sound project implementation approach by a highly professional project team. Sida's flexibility to allow for a project duration over four years contributed to the project's success.</p>	
<p>Positive factors influencing project performance included the quality of the project team, UNECE's convening power, the acceleration of using virtual technology as a COVID-19 mitigation measure, and the project duration of over four years.</p>		
<p>Negative factors influencing project performance comprised meeting and travel restrictions due to COVID-19, the volatile political situation in the sub-region, the economic downturn and turf battles among government stakeholders due to unclear or overlapping mandates concerning innovation.</p>	<p>Negative factors influencing project performance were largely unforeseeable and beyond the project team's control but were successfully mitigated where possible.</p>	<p><i>No recommendation.</i></p>
<p>Changes in policymakers' competencies: Policymakers broadened their understanding of innovation concepts. The project mitigated the frequent staff turnover the project mitigated this risk through a networking approach, including at the technical level.</p>		
<p>It is too early to assess changes in competencies to support environmental sustainability, gender equality, good governance, and economic growth.</p>		
<p>Coordination: the project systematically involved other United Nations (UN) and non-UN stakeholders in the implementation, including UN country representatives, EU delegations and Swedish embassies, WIPO, OECD, and WEF, showing good coordination with UN stakeholders and other international partners.</p>	<p>The project team's systematic inclusion of UN and non-UN stakeholders is a good practice,</p>	<p><i>No recommendation.</i></p>

		benefitting Swedish embassies directly in the project countries.	
Efficiency	The project has been well-executed, thanks to adequate funding for mobilizing consultants and a professional project team in UNECE showing an outstanding performance. The project team used international experts and tapped into a network of well-connected national experts.	The project was good value-for-money for due to a professional team, efficient implementation, local expert use, and centralized coordination through national focal points during pandemic-related travel restrictions. UNECE even executed deliverables not in the donor agreement using existing funds.	<i>See R 3 on the recommended duration of projects.</i>
	COVID-19-related restrictions affected the project implementation, requiring a no-cost extension. However, the combination of timely instructions, guidelines, and feedback, along with an organized project team, set a solid foundation for success in the project.		
	The project duration for work on systemic change required 4 to 5 years, as it was complex and involved significant efforts to modify people's attitudes, habits, and behaviours.		
	The efficiency of resource use showed, for example, during the COVID-19 pandemic. By utilizing technology, such as video conferencing tools, it became possible to connect with a diverse range of individuals and groups remotely, reaching even more stakeholders compared to personal visits.		
	The involvement of local experts was crucial in energizing local stakeholders, particularly during challenging times like a pandemic.	The efficiency of the project implementation showed in the invaluable use of local experts, especially during pandemic-related travel restrictions in 2020 and 2021, as well as the centralized project coordination in each country through national focal points.	R 4: UNECE: Building on the good practices of this project, using local experts to gather intelligence on the ground is recommended for similar future projects at the country level. At the same time, national focal points should be appointed for centralized project coordination in project countries.  Priority: medium, next 6-12 months, for new project designs
	Implementing a focal point approach, which entails centralized coordination in each country, streamlined communication, efficient organization, and better collaboration among stakeholders, catalysed the project implementation.		
Sustainability	As the project streams ended, countries remained engaged to collaborate for more policy recommendations and support national strategies and initiatives.	Stakeholders demonstrate a strong interest in project recommendations, institutionalizing them in many countries, but require continued external support for innovation strategies and policies.	R 5: UNECE: As a follow-up to this project, UNECE should use its limited regular budget resources to monitor the implementation of recommendations and keep engaging with the network of focal points to share good practices for developing and implementing national innovation-related strategies and policies.  Priority: very high, next 3-6 months for new project designs
	Handholding for national strategies and policies is required, including support during the review and updating of the latter, for example, in Armenia or the Republic of Moldova.		
	Ownership of results, institutionalization, and up-scaling are evident in Armenia, Azerbaijan, Georgia, and the Republic of Moldova.		



	Overall, the project's methodology and approach can be replicated in other sub-regions and countries, with some amendments to the current approach and always considering sub-regional contextualization.	The project approach is fit for purpose and ready to be replicated in other sub-regions.	<p>R 6: UNECE: for replicating the project approach in other sub-regions, for example, the Western Balkans, with high relevance for donors like the EU and Sweden. This should be done, as explained in R 1 by i) seeking continuation funding to support further EESC countries (especially for ensuring sustainability); ii) seeking new funding to replicate for other regions, such as the Western Balkans or Central Asia.</p> <p>Priority: very high, next 3-6 months for new project designs</p>
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Given the logical flow of the evaluation analysis presented in Figure 13 the following conclusions and recommendations emerge.

### **Relevance and coherence**

*Conclusions:* The project addressed a significant sub-regional development cooperation gap through its in-depth support to science, technology, and innovation (STI), in particular its focus on STI policy and governance. The project provided visibility to Sida and UNECE, transferred large numbers of relevant international good policy practices to the region (including lessons learned from Sweden's innovation development journey), and worked closely with all relevant stakeholder groups and to the enhance the region's STI ecosystem. However, not all deliverables reached all countries evenly, and the *Leave No One Behind* approach was supply-driven. The adaptation of the project for any future implementations will be highly cost-effective.

*Recommendations for similar future projects addressed to UNECE:*

R1: Given its high relevance, it is recommended to i) seek continuation funding to support further Eastern Europe and the South Caucasus countries (especially for ensuring sustainability and continuity); ii) seek new funding to replicate this project for other subregions, such as the Western Balkans or Central Asia. At the same time, this can raise donor visibility and complement investments into the European Union's (EU's) Eastern Partnership (in the case of Eastern Europe and the South Caucasus). UNECE's governance-focused approach using evaluation, accountability, and transparency also aims to reduce corruption and informality in the EESC region, where this issue is of great relevance.

Priority: high, next six months for new project designs.

R 2: Increase awareness among national stakeholders in Member States about the importance of the *Leave No One Behind* approach across policy-making, for example, by adding relevant indicators in the project results framework, and supporting ongoing national processes such as the upgrading of online procurement platforms for reading impaired persons, with a focus on gender, disabilities, and human rights (keeping in mind that the latter two were not included in the project document).

Priority: medium, next 6-12 months for new project designs.

### **Effectiveness**

*Conclusions:* UNECE's neutrality and convening power helped engage stakeholders during the project implementation, enhancing knowledge and awareness about innovation policies. The project's positive results were attributed to a proactive and engaged professional team, flexibility, and mitigation of unforeseeable factors. The team's systematic inclusion of UN and non-UN stakeholders benefits Swedish embassies in the project countries by raising the innovation topic on national agendas and sharpening Sweden's profile on this topic in the region.

*Recommendations for similar future projects:*

R 3: In a context where donors increasingly focus on short-term results after 12 or 24 months, UNECE should encourage Sweden and other donors to continue investing in projects with a systems change approach, leading to the implementation of research

recommendations as a means to ensure the sustainability of results. A project duration of 5 years is recommended for projects with such an approach.

Priority: medium, next 6-12 months for new project designs.

## **Efficiency**

*Conclusions:* The project was good value-for-money due to a professional team, efficient implementation, local expert use, and centralized coordination through national focal points during pandemic-related travel restrictions. UNECE even executed deliverables not in the donor agreement using existing funds.

### *Recommendations for similar future projects:*

R 4: Building on the good practices of this project, using local experts to gather intelligence on the ground is recommended for similar future projects at the country level. At the same time, national focal points should continue to be appointed for centralized project coordination in project countries.

Priority: medium, next 6-12 months, for new project designs.

## **Sustainability**

*Conclusions:* Stakeholders demonstrate a strong interest in project recommendations, institutionalizing them in many countries, but require continued external support for innovation strategies and policies. The project approach is fit for purpose and ready to be replicated in other sub-regions.

### *Recommendations for similar future projects:*

R 5: As a follow-up to this project, UNECE should use its limited regular budget resources to monitor the implementation of recommendations and keep engaging with the network of focal points to share good practices for developing and implementing national innovation-related strategies and policies.

Priority: very high, next 3-6 months for new project designs.

R 6: Senior management should use this evaluation report as a robust evidence base to lobby for replicating the project approach in other sub-regions, for example, the Western Balkans, with high relevance for donors like the EU and Sweden. This should be done, as explained in R 1 by i) seeking continuation funding to support further EESC countries (especially for ensuring sustainability); ii) seeking new funding to replicate for other regions, such as the Western Balkans or Central Asia.

Priority: very high, next 3-6 months for new project designs.

# Annex 1: Terms of Reference of the Evaluation

## TERMS OF REFERENCE

### E317: Promoting innovation policy capacities in Eastern Europe and the Caucasus

#### I. Purpose

The purpose of this evaluation is to assess the extent to which the objectives of the UNECE project E317 “Promoting innovation policy capacities in Eastern Europe and the Caucasus” were achieved. The evaluation will assess the relevance, effectiveness, efficiency and sustainability of the project in enhancing innovation policy capacities in Eastern Europe and the South Caucasus (EESC) countries.

The evaluation will also assess any impacts the project may have had on progressing human rights, gender equality, disability inclusion, climate change and disaster risk reduction in the context of this engagement. The evaluation will finally look at the activities repurposed to address the impact of the COVID-19 crisis, and assess, to the extent possible, UNECE’s COVID-19 early response through this project.

#### II. Background

Launched in November 2018, the project aimed to improve the competencies of policymakers in designing, running, reforming, and monitoring effective innovation policies and institutions that make measurable contributions towards long-term economic sustainable development.

The project looked at the six Eastern Europe and the South Caucasus (EESC) member States because of their shared features including a common historic legacy (predominance of central planning, a strong role for public research institutions; history of strong, at times frontier research), economic structure (strong manufacturing tradition; a legacy of state ownership of the economy; focus on heavy industries), geography (proximity to the EU and CIS), and factor conditions (high levels of education in the workforce; high labour participation rates among women). These shared traits enabled the Innovation Policy Outlook (IPO) and other project work streams to build a strong basis for policy learning and enable benchmarking.

The project was implemented by UNECE Subprogramme 4 Economic Cooperation and Integration/Economic Cooperation and Trade Division and reflected UNECE’s mandates in the sphere of innovation, competitiveness and public-private partnerships. In particular, the objectives of the project were:

- (a) Improved policy dialogue on promoting sustained economic growth, innovative development, and greater competitiveness in the UNECE region;
- (b) Improved understanding at the national level of policy options to promote sustained economic growth, innovative development, and greater competitiveness; and
- (c) Enhanced national implementation of UNECE policy recommendations and standards on promoting a policy, financial and regulatory environment conducive to sustained economic growth, innovative development and greater competitiveness.

To achieve the project objective, UNECE engaged in several core activities which were agreed-upon in consultation with national focal points:

#### 1. Sub-regional Innovation Policy Outlook

UNECE developed the methodology, conducted primary research, and published a pilot Sub-regional Innovation Policy Outlook (IPO) study benchmarking innovation governance performance across all six EESC member States. Later, UNECE also conducted an Interim IPO (IIPO) on topics of interest to the countries.

#### 2. Innovation for Sustainable Development Reviews

Second, UNECE carried out national-level Innovation for Sustainable Development Reviews (I4SDR) of Georgia (2021), the Republic of Moldova (2022), Armenia (ongoing), and Ukraine (ongoing – publication date is to be determined). Complementing the sub-regional level assessment, the I4SDR examines national innovation systems in greater detail and includes in-depth analysis elective topics.

### **3. Capacity Building**

The third element of the project was conducting capacity-building activities supporting specific reform efforts to put recommendations from national reviews into practice. UNECE also engaged in sub-regional capacity building in follow-up to the IPO. For example, UNECE conducted a capacity-building program focused on innovation-enhancing procurement (IEP) for Georgia. As a follow-up to the I4SDR of the Republic of Moldova, UNECE also developed a roadmap on Innovation and Technology Transfer and implemented two trainings for Moldova.

### **4. IPO Policy Dialogue Sessions**

To provide a platform to share policy recommendations and findings from the studies, UNECE organized several IPO policy dialogue sessions.

The project involved the following focal point institutions: Armenia: Ministry of High-Tech Industry; Ministry of Economy; Ministry of Education, Science, Culture and Sport. Azerbaijan: Ministry of Transport, Communications and High Technologies. Belarus: Belarusian Institute of System Analysis and Information Support of S&T Sphere (BELISA), under the State Committee for Science and Technology of the Republic of Belarus. Georgia: Georgia's Innovation and Technology Agency (GITA), under Ministry of Economy. Moldova: Ministry of Education, Culture and Research; National Institute for Economic Research (NIER), under Ministry of Economy. Ukraine: National Academy of Sciences; Ministry of Economy; Ministry of Education and Science.

## **III. Evaluation objectives, scope and questions**

The evaluation will be guided by the objectives, indicators of achievement and means of verification established in the logical framework of the project document. The evaluation will be conducted in Q1-Q2 of 2023 at the request of the donor. It will cover close to the full implementation of the project, from November 2018 to March 2023 in six countries (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine). The project is currently planned to be completed by August 2023, with a possible extension till February 2024 currently under discussion with the donor. The majority of activities will have been completed by March 2023.

The final evaluation of the project has the following specific objectives:

- Determine as systematically and objectively as possible the relevance, effectiveness, efficiency and sustainability of the project results in light of its goals and objectives;
- Assess how the project activities contributed to gender equality and women's empowerment, as well as the realization of human rights, with an emphasis on 'leaving no one behind' and, if needed, it will make recommendations on how these considerations can be better addressed in future activities of the subprogramme.
- Identify good practices and lessons learned from the project and formulate action-oriented, forward-looking recommendations addressed to the subprogramme for improving future interventions.

The evaluation criteria are relevance, effectiveness, efficiency and sustainability.

### Relevance

1. To what extent was the project design appropriate for meeting the needs of beneficiary countries?
2. To what extent did the project respond to the priorities and needs of the participating countries? How relevant were they to the countries' needs and priorities?
3. To what extent was the project aligned with the SDGs?
4. What takeaways are there for ensuring relevance of future UNECE projects?
5. To what extent were gender, human rights and disability perspectives integrated into the design and implementation of the project? What results can be identified from these actions? How can gender and human rights perspectives be better included in future the projects design and implementation?

### Effectiveness

6. To what extent were the project objectives and expected accomplishments achieved?
7. To what extent did the project improve the competencies of innovation policy makers in the participating countries to design, develop, implement, reform, and evaluate national innovation policies?
8. To what extent are the project activities coherent and harmonized with those of other partners operating within the same context, particularly those of other UN system entities?
9. What were the challenges/obstacles (including COVID-19 and sub-regional instability) to achieving the expected results? How successfully did the project overcome these?
10. What (if anything) has prevented the project from achieving the desired results?
11. How effectively has the project tackled its underlying objective of improving the competencies of innovation policy makers to support environmental sustainability, gender equality, good governance, and economic growth in the participating countries?

### Efficiency

12. Were the resources adequate for achieving the results?
13. Were the results achieved on time and were all activities organized efficiently?
14. To what extent were the resources used economically and how could the use of resources be improved?

### Sustainability

15. What measures were adopted to ensure that project outcomes would continue after the project ended and to what extent have these measures addressed the existing risks for sustainability?
16. To what extent do the partners and beneficiaries 'own' the outcomes of the work? How is the stakeholders' engagement likely to continue, be scaled up, replicated, or institutionalized?
17. To what extent are the objectives of the project still valid? How can the project be replicated in other UNECE sub-regions, in particular the Western Balkans?

#### IV. Evaluation approach and methodology

The evaluation will be conducted in accordance with: the ECE Evaluation Policy<sup>6</sup>; the Administrative instruction guiding Evaluation in the UN Secretariat<sup>7</sup>; and the United Nations Evaluation Group (UNEG) Norms and Standards for Evaluation<sup>8</sup>. Human rights and gender equality considerations will be integrated at all stages of the evaluation<sup>9</sup>: (i) in the evaluation scope and questions; (ii) in the methods, tools and data analysis techniques; (iii) in the findings, conclusions and recommendations of the final report. The evaluator will explicitly explain how human rights, gender, disability, SDGs, and environmental considerations will be taken into account during the evaluation.

The evaluator is required to use a mixed-method approach, including qualitative as well as quantitative data gathering and analysis as the basis for a triangulation exercise of all available data to draw conclusions and findings. The evaluator shall conduct online surveys and interview a wide range of diverse stakeholders from both the private and the public sector, academia, international organisations, and, where applicable, the diaspora and civil society. To ensure representativeness, the evaluator shall speak to a large sample of stakeholders including high-level government interlocutors whom UNECE has worked with. UNECE also strongly suggests that the evaluator organises in-person visits to the countries under review to conduct interviews and gather data.

The evaluation should be conducted based on the following mixed methods to triangulate information:

1. A desk review of all relevant documents, including the project document and information on project activities (monitoring data); materials developed in support of the activities (agendas, plans, participant lists, background documents, donor reports and publications); Proposed programme budgets covering the evaluation period; project reports to the donor.
2. Online survey of key stakeholders and beneficiaries: the survey will be developed by the consultant on her/his preferred platform.
3. Interviews (in-person and by telephone/video): the evaluator shall interview a wide range of diverse stakeholders and beneficiaries from both the private and the public sector, academia, international organisations, and, where applicable, the diaspora and civil society. To ensure representativeness, the evaluator shall speak to a large sample of stakeholders including high-level government interlocutors whom UNECE has worked with. UNECE also strongly suggests that the evaluator organises in-person visits to one or more countries of project implementation to conduct interviews and gather data.
4. Case Study/ies, which will include a detailed examination of the project intervention in one or more of the six countries of project implementation (the selection criteria will be included in the inception report).

The evaluator will further elaborate on the evaluation methodology in the Inception Report that will among others include the survey questions, travel plans and whether any of the six countries will be selected for an in-depth assessment. The evaluation report will be written in English, will consist of approximately 30 pages and will include an executive summary (max. 2 pages) describing the evaluation methodology, key findings, conclusions and recommendations. The evaluator will also produce an evaluation brief summarizing key evaluation findings, lessons learned and recommendations, including through images and infographics.

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<sup>6</sup> [UNECE Evaluation policy](#)

<sup>7</sup> ST/AI/2021/3

<sup>8</sup> [UNEG 2016 Norms and Standards for Evaluation](#)

<sup>9</sup> In line with UNEG Guidance contained in [Integrating Human Rights and Gender Equality in Evaluations](#)

## **V. Evaluation schedule<sup>10</sup>**

January 2023	ToR finalized
March 2023	Evaluator selected
April 2023	Contract signed. Evaluator starts the desk review
End-April 2023	Evaluator submits inception report including survey design
May 2023	Launch of data gathering, including survey and interviews
Early June 2023	Evaluator submits draft evaluation report and evaluation brief
End-June 2023	Evaluator submits final evaluation report and evaluation brief

## **VI. Resources and Management of the evaluation**

An independent consultant will be engaged to conduct the evaluation under the management of the PMU. The assignment will involve travel to selected countries among the six beneficiary countries to conduct an in-depth assessment. Payment will be made upon satisfactory delivery of work.

The Programme Management Unit (PMU) will manage the evaluation and will be involved in the following steps: Selection of the evaluator; Preparation and clearance of the Terms of Reference; Provision of guidance to the Project Manager and evaluator as needed on the evaluation design and methodology; Clearance of the final report after quality assurance of the draft report.

The Project Manager, in consultation with the Division Director, will be involved in the following steps: Provide all documentation needed for desk review, contact details, support and guidance to the evaluation consultant as needed throughout the timeline of the evaluation; Advise the evaluator on the recipients for the questionnaire and for follow-up interviews; Process and manage the consultancy contract of the evaluator, along the key milestones agreed with PMU.

## **VII. Intended use / Next steps**

The results of the evaluation will be used in the planning and implementation of future activities of the UNECE Economic Cooperation and Integration Subprogramme. Findings of this evaluation will be used when possible to:

- improve direct project's follow up actions, implementation of products by project beneficiaries and dissemination of the knowledge created through the project;
- assess the gaps and further needs of countries in the area of this project;
- formulate tailored capacity building projects to strengthen the national capacity in enhancing innovation.

The results of the evaluation will be reported to the inter-governmental Team of Specialists on Innovation and Competitiveness Policies and the Committee on Innovation, Competitiveness and Public-Private Partnerships.

Following the issuance of the final report, the Project Manager will develop a Management Response for addressing the recommendations made by the evaluator. The final evaluation report, the management response and the progress on implementation of recommendations will be publicly available on the UNECE website.

## **VIII. Criteria for evaluators**

The evaluator should have:

1. An advanced university degree or equivalent background in relevant disciplines.

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<sup>10</sup> Final timetable to be agreed following engagement of the evaluator



2. Specialized training in areas such as evaluation, project management, social statistics, advanced statistical research and analysis.
3. Knowledge of and experience in working with intergovernmental processes, innovation, sustainable development.
4. Relevant professional experience in design and management of evaluation processes with multiple stakeholders, survey design and implementation, project planning, monitoring and management, gender mainstreaming and human-rights due diligence.
5. Demonstrated methodological knowledge of evaluations, including quantitative and qualitative data collection and analysis for end-of-cycle project evaluations. Demonstrated experience in conducting questionnaires and interviews is an asset.
6. Fluency in written and spoken English. Knowledge of Russian will be an advantage.

Evaluators should declare any conflict of interest to UNECE before embarking on an evaluation project, and at any point where such conflict occurs.

## Annex 2: Documents reviewed

Ministry of High-Tech Industry of the Republic of Armenia, 2023: Support letter for Promoting innovation policy capacities in Eastern Europe and the Caucasus project.

Ministry of Education and Research of the Republic of Moldova, 2023: Support letter for Promoting innovation policy capacities in Eastern Europe and the Caucasus project.

Ministry of Education and Science of Ukraine, 2022: Support letter for Promoting innovation policy capacities in Eastern Europe and the Caucasus project.

UNECE, 2023: Innovation for Sustainable Development. Review of Armenia.

UNECE, 2022: Handbook on innovation-enhancing procurement for Georgia.

UNECE, 2022: E317 Promoting innovation policy capacities in Eastern Europe and the Caucasus. Narrative report 1 January 2021 – 31 December 2021.

UNECE, 2022: Interim Sub-regional Innovation Policy Outlook 2022: Eastern Europe and the South Caucasus.

UNECE, 2022: Study visit of Georgian officials to Norway. UNECE capacity-building programme on innovation-enhancing public procurement. 14-16 September 2022

UNECE, 2021: Innovation for Sustainable Development. Review of Republic of Moldova.

UNECE, 2021: Sub-regional Innovation Policy Outlook 2020: Eastern Europe and the South Caucasus.

UNECE, 2021: 2020 evaluation of sub-programme 4. Innovation for Sustainable Development Reviews and sub-regional Innovation Policy Outlook. Evaluation response.

UNECE, 2021: Sub-regional Innovation Policy Outlook 2020: Eastern Europe and the South Caucasus. Summary and insights.

UNECE, 2021: E317 Promoting innovation policy capacities in Eastern Europe and the Caucasus. Narrative report 1 January 2020 – 31 December 2020.

UNECE, 2020: Innovation for Sustainable Development Reviews and Sub-regional Innovation Policy Outlook.

UNECE, 2020: Innovation for Sustainable Development. Review of Georgia.

UNECE, 2020: E317 Promoting innovation policy capacities in Eastern Europe and the Caucasus. Narrative report 1 January 2019 – 31 December 2019.

UNECE, 2018: Promoting innovation policy capacities in Eastern Europe and the Caucasus. Project document.

## **Annex 3: Lists of stakeholders interviewed**

The evaluator collected data from 49 stakeholders. The list of 31 stakeholders interviewed in person as well as by telephone and video call is available but will not be published with this report to safeguard the participants' anonymity. The 18 stakeholders responding to the online survey did so anonymously. Many respondents requested not to be named, but further information on those who did not request this can be provided at the request of Sida.

## Annex 4: Evaluation matrix

	Evaluation questions/issues	Indicators	Proposed evaluation tools	Data source
1. Relevance				
	1.1 To what extent was the project design appropriate for meeting the needs of beneficiary countries?	Evidence that project design responds to specific country and partner institution needs priorities.	Document review; Interviews with UNECE staff, country representatives, and independent experts	Project documentation; Project stakeholders.
	1.2 To what extent was the project aligned with the SDGs?	Evidence that the project is likely to contribute to: SDG 5.5, 5a, 5b, 8.1, 8.2, 8.3, 8.5, 8.6, 9.2, 9.3, 9.5, 9b, 9c	Document review	Project documentation
	1.3 What takeaways are there for ensuring the relevance of future UNECE projects?	--		
	1.4 To what extent were gender, human rights, and disability perspectives integrated into the design and implementation of the project? 1.5 What results can be identified from these actions? 1.6 How can gender and human rights perspectives be better included in future project design and implementation?	Evidence of the consideration of gender issues during the design and implementation, e.g., the existence of a gender analysis that identified the gender dimensions that the activities could address  Evidence of gender aspects in the activities  Proof of results regarding gender issues addressed by the project	Document review; Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.

	Evaluation questions/issues	Indicators	Proposed evaluation tools	Data source
2. Effectiveness	2.1 To what extent were the project objectives and expected accomplishments achieved?	Evidence of project contribution to expected accomplishments	Document review Interviews with UNECE staff, country representatives, and independent experts	Project documentation; Project stakeholders.
	2.2 To what extent did the project improve the competencies of innovation policymakers in the participating countries to design, develop, implement, reform, and evaluate national innovation policies?	Evidence from crucial staff of improved ability of policymakers to design, develop, implement, reform, and evaluate innovation policies.	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.
	2.3 To what extent are the project activities coherent and harmonized with those of other partners operating within the same context, particularly those of other UN system entities?	Evidence of consideration of other partners operating in a similar context, e.g., UN entities  Evidence that project activities integrate with those of these other partners	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.
	2.4 What were the challenges/obstacles (including COVID-19 and sub-regional instability) to achieving the expected results? How successfully did the project overcome these?	Evidence of awareness and addressing of challenges to achieving results.	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.

	Evaluation questions/issues	Indicators	Proposed evaluation tools	Data source
	2.5 What (if anything) has prevented the project from achieving the desired results?	Examination of the theory of change and the linkages between project and results	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.
	2.6 How effectively has the project tackled its underlying objective of improving the competencies of innovation policymakers to support environmental sustainability, gender equality, good governance, and economic growth in the participating countries?	Evidence from key staff of improved ability of policymakers to support environmental sustainability, gender equality, good governance, and economic growth.	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.
3. Efficiency				
	3.1 Were the resources adequate for achieving the results?	Evidence of resource utilization in comparison with indicator results	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.
	3.2 Were the results achieved on time, and were all activities organized efficiently?	Time and budget extensions and reasons thereof	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.
	3.3 To what extent were the resources used economically, and how could the use of resources be improved?	Financial utilisation across years and in aggregate Extent to which the management of the resources of the partnership was based on results, including the existence of an RBM policy Extent to which the project management structures facilitated the implementation, including evidence of actions taken to improve implementation	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.

4. Sustainability				
	4.1 What measures were adopted to ensure that project outcomes would continue after the project ended, and to what extent have these measures addressed the existing risks for sustainability?	Evidence from national policymakers and practitioners that they have initiated/taken actions such as allocating dedicated staff and resources towards further activity and/or knowledge management in terms of UNECE good practices and policy recommendations. Evidence of consideration and mitigation of sustainability risks	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.
	4.2 To what extent do the partners and beneficiaries' own' the outcomes of the work? How is the stakeholders' engagement likely to continue, be scaled up, replicated, or institutionalized?	Evidence of the continuation of stakeholder engagement, scaling, replication, and/or institutionalization, for example, through linkages with activities and/or a strategy for knowledge management	Document review Interviews with UNECE staff, country representatives and independent experts	Project documentation; Project stakeholders.
	4.3 To what extent are the objectives of the project still valid? How can the project be replicated in other UNECE sub-regions, particularly the Western Balkans?	Evidence of the validity of current project objectives.  Evidence of replicability of the project in other UNECE sub-regions.	Document review Interviews with UNECE staff	Project documentation; Project staff

## Annex 5: Country case studies: Armenia and Georgia

Armenia and Georgia were selected for more detailed examination, as case studies, in this project evaluation. The six project countries (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, and Ukraine) were rated (1-5) according to their demonstrated interest in taking part in project activities. Armenia and Georgia were the top-scoring countries, scoring 5 points each, both repeatedly expressing their interest in meetings as well as making formal requests.

The six countries were also rated on whether they had recent similar innovation reviews, and Armenia and Georgia also rated most highly on this ranking, with a score of 5 points each. Neither Armenia nor Georgia had conducted an innovation review of similar scope in the past five years.

Armenia and Georgia were thus chosen for closer examination in the project, and therefore field visits to these countries were organized to produce a detailed examination of the project there.

### *Armenia*

Armenia has made noteworthy progress towards achieving innovation-led, sustainable development. Despite the challenges posed by regional and geopolitical instability and the COVID-19 pandemic, Armenia retains a competitive information and communication technology (ICT) sector and a thriving entrepreneurship scene. Pockets of innovation excellence in ICT are complemented by well-developed tourism, mining, food processing and agriculture sectors.

Despite these successes, Armenia still faces challenges to sustain economic growth and social development. Innovation, or systematic experimentation with new ideas, processes, and products, can be the catalyst in solving these challenges and bolster Armenia's sustainable development. Improvements in innovation policy through intergovernmental coordination, greater use of evidence and evaluation in policymaking, involvement of the diaspora and revaluation of the current innovation infrastructure mechanisms are necessary to foster innovation. This project is critical to addressing these constraints and support Armenia on its journey of economic development.

*Relevance: To what extent was the project design appropriate for meeting the needs of beneficiary countries?*



The project design was appropriate and directly applicable. There is a strong call for assistance on innovation from Armenia. High-level Ministers, including H.E. Mr. Robert Khachatryan, Minister of High-Tech Industry, H.E. Mr. Vahan Kerobyan, Minister of Economy, and H.E. Mr. Sargis Hayotsyan, Chairman of the Armenia Science Committee, are fully supportive of this project, and the government is very involved in ownership of the project. The private sector and academia have also inputted comments on the I4SDR (Innovation for Sustainable Development Review), which has just been launched, with peer reviews and input from many stakeholders.

*“The topic of Innovation is very important here. It is on the priority list of the government.”*

The project design was helpful overall in terms of mainstreaming innovation in governance and coordinating projects and activities with the government and partners. It aimed to address the major challenges and capitalize on the strengths of beneficiary countries.

However, there may not be a good understanding of the outputs of the I4SDR yet. In much of the Armenian Government, when it comes to innovation, there is a narrow focus on high tech outputs – e.g., funding tech startups, accelerators, and developing potential unicorns. The project helped government staff and stakeholders see innovation more broadly – beyond seeing innovation as just ICT, it introduced new perspectives (e.g., infrastructure, innovation ecosystem, regulatory reform) that stakeholders found very helpful.

The project aimed to identify gaps and provide recommendations, considering the interconnectedness of the innovation system. The project focused on a systematic approach to address multiple gaps and policy reforms, rather than focusing solely on single issues such as the support of IT startups. This allowed for a comprehensive systemic understanding of the innovation policy, including financing and education aspects, and the identification of negative effects of innovation. The reviews effectively listed the systematic problems that needed to be addressed. It took a systemic perspective that stakeholders found important.

The I4SDR has just been launched, and the dispersal of this knowledge will be key to development of innovation in Armenia. However, respondents report that there is a lack of promotion of this product, and that **this now needs to be amplified by the government partners. For the future, a focus on promoting and implementing suggestions from the I4SDR is advised.** The project also provided a comparison (benchmark) of different countries, which stakeholders found useful, stating that competition between countries is a strong driver of change. It is an excellent sign that UNECE and the government immediately engaging in drafting an actionable roadmap, based on the recommendations.

In addition, the project has helped to promote the encouragement of the Armenian diaspora to invest in innovative sectors. Sector-specific initiatives should also further development to promote innovation, including agriculture, health care, and environment. This involves implementing targeted policies, providing financial support, and creating specialized programs to foster innovation and entrepreneurship within these sectors.

*Effectiveness: To what extent were the project objectives achieved?*

*(a) Improved policy dialogue on promoting sustained economic growth, innovative development, and greater competitiveness in the UNECE region*

The policy dialogues were fully achieved and beneficial to Armenia. They provide a platform for the three different ministries involved in innovation to actually talk with each other and figure out who does what on innovation, which did not occur previously. The government now organizes policy dialogues every three months, inviting representatives from various sectors and experts. Over time, respondents have noticed that these dialogues have improved significantly, and it is essential for these to continue to improve communication.

*(b) Improved understanding at the national level of policy options to promote sustained economic growth, innovative development, and greater competitiveness.*

Understanding can be improved. There is a significant divide in innovation policy among the three ministries: Ministry of High Tech, Economy, and Science; Ministry of Education, Culture, and Sports. The review provided a valuable opportunity to address this issue, as there was limited communication among the ministries, resulting in overlaps and unaddressed work. The roadmap will be important in mitigating these issues.

*(c) Enhanced national implementation of UNECE policy recommendations and standards on promoting a policy, financial, and regulatory environment conducive to sustained economic growth, innovative development, and greater competitiveness.*

The I4SDR has just been launched on July 7, 2023; thus policy recommendations have not yet been implemented. The IPO presented guidelines which were considered, and there is awareness of them, although implementation has not occur yet.

For example, as a direct benefit of this project, there are untapped aspects of innovation that have been opened. Venture capital from the Armenian diaspora and tech transfer for example will be explored for the first time in policy. Again, the roadmap is an important step into a direction of implementation and impact.

*Beyond these objectives, what has been your strategic vision for the project, and how has it changed over the course of the project?*

Innovation has not always perceived as a means of development; however it is highly important. Initially, there was a lack of dialogue among policymakers regarding the importance of innovation and what innovation actually means. The review played a crucial role in introducing this new perspective, as it was a novel concept for them. The UNECE work has been particularly influential in this regard.

*Which factors facilitated or hindered the achievement of the project results? What approaches worked well and could be adapted to work in other sub-regions? What are some relevant lessons learned?*

The team's way of working was highly appreciated. They were disciplined with their work plan. They maintained close communication and coordination with the ministries throughout the project, which facilitated the achievement of the desired results. This approach proved to be effective in ensuring progress and success.

*“The project team is great... it was not just their formal obligations and duties, but their attitude. They were really engaged in the project, this specific project team... It was a learning experience to work with them, for example, with their work ethics.”*

However, there were certain factors that posed challenges and hindered the project's outcomes. Stakeholders found that distance from the well-organized project staff hindered the project's development. During COVID, for example, consultations had to be conducted virtually. This limited the amount of time the project team and experts spent in the country and reduced the level of engagement with national experts. **To enhance future projects, stakeholders recommended involving more local experts from Armenia to keep everyone engaged. It's important to continue with local capacity building. One recommendation from Armenian respondents was to engage one or two local project managers in country. It was positive that UNECE engaged comprehensively local partners (local consultants, UN country teams, Swedish embassy, et al.).**

The project also recognized the need to address the silo-based, top-down nature of the public sector. It emphasized the importance of bottom-up approaches, allowing public servants in general, not just supervisors, to have a say in decision-making processes. Building capacity through a consistent set of activities was considered crucial. The project sought to establish in-country teams to ensure continuous engagement and effective collaboration with the government.

From a project design perspective, the methodology adopted worked well and can be adapted for use in other sub-regions. This approach contributed to the project's success and allowed for comparisons and benchmarking with others in the region, which remains a useful incentive.

**Recommendation: Now that the I4SDR has been launched in Armenia, it would be useful to work on incorporating its recommendations into policy design for policymakers, through workshops and training events with relevant stakeholders. An additional benefit may be to instill a local project management team to coordinate and build capacity. Benchmarking with other sub-regional counterparts should ideally also continue to allow for comparisons and instill a healthy sense of competition – and regular reviews of this.**

*How effectively has the project improved the competencies of innovation policymakers to support environmental sustainability, gender equality, good governance, and economic growth?*

The project has promoted good governance and economic growth, less in environmental sustainability and gender.

There is talk about gender and environment, but it is mainly pushed by international organizations and not by the government or stakeholders in country. There is no real demand for this in country. It is the presence of UN organizations that encourages focus on gender and environment.

*How have gender, human rights, and disability perspectives been integrated into the project? What results have there been in terms of gender, human rights, and disability?*

Gender, human rights, and disability have not been viewed as a priority, or even a problem, by Armenian stakeholders. Statistics and data are lacking in these areas. Armenia has some statistics on gender, for example, gender inequality in companies, but less on disability and even less on human rights.

**Indicators would be useful for keeping track of gender, human rights, and disability perspectives, which adds visibility to these issues and pressure from international organizations.**

**Conclusion:** The project has made great strides in Armenia to engage and coordinate local stakeholders on innovation, and to set up a platform on which implementation of innovation policy can now be launched through the IPO and I4DR, which has taken a welcomed country-driven perspective.

As an external entity, the project was restricted in terms of the duration of missions, as experts and UNECE team could only fly in for a week or two, and managed the project from outside the country. Increasing project management in country, or project co-management, would increase understanding and build capacity and trust with the beneficiaries, and is called for by country representatives. Cooperation with local partners (local experts, UN country teams, Swedish embassy, et al.) went a long way in mitigating this issue. While current capacity development efforts were effective, there is a need to ensure practical comprehensive capacity building in country.

*“Participating in this project has contributed to understanding – it is on-the-job training for policymakers.”*

**Policy targets, such as in the Innovation Policy Outlook, allows benchmarking as a country, and provide reinforcement government and regional comparisons. Stakeholders believe this will drive the implementation of recommendations.**

As there are distinct borders between Ministries (Ministry of High Tech, Ministry of Economy, Minister of Culture, Science, Sport, and Education which encompasses the Science Committee), and it is often unclear who is pushing what forward, **a local project management team would be useful to organize the regular meetings and push an innovation agenda forward.**

*“We have a good basis for starting evidence driven dialogue now, and we need ownership and regular data collection. It can’t be just this one-time only data collection. The results of this will be important for structuring discussion amongst the stakeholders to address key gaps.”*

**Recommendation: The next iteration of the project should now focus on implementation of the I4SDR Review and local capacity. Multiple stakeholders recommended taking the project forward with a local project management team and local experts if possible, to organize, or co-organize, workshops and meetings on innovation.**

**Indicators and a regular IPO or benchmarking can be conducted, so that performance can be seen over time. Generating policy is a changing, adaptive process, and the government is keen on collecting indicators. Data and innovation indicators are currently lacking.**

The Armenian government is the largest buyer of goods and services – more than \$1 billion. But procurement is rigid, risk averse, and specific. Stakeholders have not heard much for example about implementing innovation procurement yet. This may be an agenda item for the future, and the experts and/or colleagues from Georgia’s successful experience could be introduced.

## *Georgia*

A lower-middle-income economy at the crossroads of Eastern Europe and Western Asia, Georgia is an innovation achiever, gaining high scores in the Global Innovation Index. The Georgia Innovation and Technology Agency was instituted in 2013 to co-ordinate all aspects of science, technology, and innovation policy. Important challenges remain however, especially in further reforms of institutional project reviews and education.

Project activities aimed to contribute to on-going or planned reform efforts that address central problems that hold innovation systems in back in Georgia. They aim to do so by developing assessment tools that help policy makers and other stakeholders understand and benchmark innovation policies and institutions, coupled with targeted capacity building that feed into specific reform efforts or address areas of joint concern. Georgia has made significant strides in adopting legislative and policy reforms to foster gender equality, for example.

There is a new innovative procurement law just adopted in Georgia as a direct result of this project. The new law aligns with EU directives and regulations and will come into effect in 2025, and it includes provisions for innovative procurement. This was a great example of coordination on the project, as GITA (Georgia's Innovation & Technology Agency) initially came up with the idea of involving the State Procurement Agency. It was fortunate timing, as the Georgian government was revising its procurement law, and included innovative procurement as part of this project with expertise from independent advisors from the project with whom they are still in contact. They have together actively developed a groundbreaking law and multiple pieces of secondary legislation, including guidelines and training materials. In addition, a delegation of high-level public officials from our agency and GITA visited Norway on a well-received Study Tour to learn from their experiences and gain practical knowledge in the field of innovation.

This will have many positive downstream effects in the future for innovative products and services. Trainings and awareness raising among businesses and procurement authorities are already underway regarding this new procurement method. This is a big and lasting achievement for the project.

*To what extent was the project design appropriate for meeting the needs of beneficiary countries?*

The project design was appropriate. Stakeholders were gathered, including key government representatives. Experts were hired to identify challenges in areas such as creating venture capital funds, improving government procurement procedures, and commercializing research and development.

To address these challenges, trainings were conducted and additional support was successfully sought from the United Nations Sustainable Development Cooperation and the Ministry of Foreign Affairs. The Innovation for Sustainable Development Review compared different countries' innovation ecosystems and provided recommendations for policy improvements.

The Study Tours were greatly beneficial. Delegates from the State Procurement Agency and others visited Norway to learn from their experiences in innovation and sustainable development first-hand. This Study Tour garnered very positive feedback (rated 9.7 out of 10).

*To what extent were the project objectives achieved?*

Yes, all objectives have been achieved. The project improved policy dialogue among key stakeholders, enhanced policymakers' understanding of innovation, and implemented policy recommendations and standards. Now, more focus on implementation is vital for success. Research, selection, and adoption of new laws, like the procurement law for example, have been positive developments.

Further raising awareness of the project in Georgia amongst other donors would be useful. Resources could be shared and other donors may want to contribute to or partner to work on aspects of the project.

*“When I had meetings with, say, UNDP, UN Women, World Bank, and the EU, they didn’t seem to know about all the details of the project.”*

Project activities were effectively coordinated. There have been peer reviews and information exchange among countries in the region, creating a good networking opportunity that was highly appreciated by stakeholders.

*“We have conducted so much research on all different ways to innovation in the region. So many new topics, ideas, and analysis/results came up! ... This was capacity building for me. This was new to me before... All the experts from different countries did peer review of each other’s work, and I’d never seen that before. This is a good strategy.”*

Challenges were addressed appropriately by the project. Three challenging areas stakeholders identified in Georgia were: (1) VC fund creation, (2) R&D commercialization, and (3) Procurement. To address these challenges, GITA worked closely with the Ministry of Economy and other government entities, consulted with experts from the Ministry of Foreign Affairs to ensure our actions align with the country's overall goals, and conducted ICT trainings funded by the European Union to develop a competitive workforce and attract investments in the ICT sector. This was an additional positive collaboration of the project with country stakeholders.

One significant factor that facilitated success was the work of the dedicated UNECE project team as well as selection of local partners who invested their time and effort into the project. This sense of co-ownership remains crucial in moving forward.

*How have gender, human rights, and disability perspectives been integrated into the project? What results have there been in terms of gender, human rights, and disability?*

The new procurement law includes provisions for reserve contracts to promote companies owned by people with disabilities or belonging to ethnic or gender minorities. These provisions aim to support local community-based organizations and women-owned businesses. The State Procurement Agency is currently working with the Chamber of Commerce and Industry to define the criteria for women-driven businesses.

During the project, the focus was on procurement and innovation, rather than gender or disability issues. However, outside of the project, the State Procurement Agency has conducted training programs for disabled individuals to encourage their participation in public tenders.

In general, gender, environmental, and social issues have been given specific attention and integrated into the project design. These aspects are integrated in the reports. This is something however that is promoted mostly by international donors. Now, the key lies in the practical implementation and whether these aspects will be effectively translated into actions in country.

Providing specific guidance and support mechanisms to assist stakeholders in utilizing the project's policies and recommendations would be beneficial.

*What ensures that project outcomes would continue after the project ends?*



Multiple stakeholders in both Armenia and Georgia have requested country comparisons, as it stimulates achievement amongst countries. Both Armenian and Georgian stakeholders have said that it would be highly beneficial for them to see how better-developed countries in Europe have developed their innovation policy and benchmarked themselves against the same indicators, such as the Global Innovation Index. Stakeholders also want to work on implementing the recommendations of the I4SDRs.

*“It is important going forward to have diagnostic studies, as it is important to understand where we stand.”*

The engagement of government stakeholders and the establishment of collaborative networks between countries in the region contribute to a higher likelihood of lasting results. It would be good to raise awareness about the project's goals and achievements among the wider audience, including other UN bodies, donors, and relevant organizations. This could help foster collaboration and ensure a more coordinated approach towards economic development, sustainability, and innovation in Georgia.

*“The project outcomes have a good chance of continuing after the project ends. Many of the recommendations have been embraced by state entities (like the procurement law), and they are already implementing them. Policymakers have shown a willingness to change strategies and reform agendas based on the recommendations. This demonstrates the project's sustainability, as its impact extends beyond its duration.”*