



Economic Commission for Europe**Committee on Innovation, Competitiveness and Public-Private Partnerships****Team of Specialists on Innovation and Competitiveness Policies****Fifteenth session**

Geneva, 22 and 23 November 2023

Item 2 of the provisional agenda

Review of the work of the Team of Specialists on Innovation and Competitiveness Policies since its fourteenth session**Progress report on the UN-ECE Transformative Innovation Network****Note by the secretariat¹****I. Introduction**

1. On 16 December 2021, the Executive Committee of the United Nations Economic Commission for Europe (ECE) approved the extrabudgetary project “Reinforcing the innovation ecosystem in the ECE region to promote innovation and digital technologies for sustainable development and for the circular economy transition”, financed by the German Federal Ministry for Economic Affairs and Climate Action (BMWK). At its fifteenth session on 25-27 May 2022, the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP) welcomed the new project.

2. At the core of the project is the UN-ECE Transformative Innovation Network (ETIN), which brings together policy makers, innovation agencies, think tanks, entrepreneurs and experts from the region working in the field of transformative innovation. ETIN is an ECE-coordinated strategic platform and meeting place for peer learning and a joint exploration of policies and practices for transformative innovation. Through evidence-based analyses and shared national and international experiences, ETIN aims to create additional value to its members in their effort to promote innovative processes in the ECE region, ultimately increasing competitiveness and accelerating a societal transformation in line with Agenda 2030.

3. Supporting innovation, and transformative innovation more specifically, is central to sustainable development. Bringing people out of poverty while carefully allocating finite resources and preserving the environment is only possible with innovation that allows us to produce more with less. Transformative innovation is a result of continuous trial and error around ideas. Finding a productive role for government support, therefore, inevitably involves a switch from planning and technology towards a system that also allows for policy experimentation. Digital and green transformations will not only require new kinds of incentives and constraints, but also more elaborate processes for continuous learning; in other

¹ This document has not been formally edited.

words, new innovative solutions of governance itself. This challenge is a matter of concern to all ECE member States, with a range of initiatives and institutions set up over the past decade, such as the German Federal Agency for Disruptive Innovation (SPRIN-D), and substantial momentum around concepts such as ecosystem development and integrating innovation, experimentation and learning for transformative innovation.

4. The objective of the project is to build the capacities of ECE member States to engage in truly transformative innovation, by building innovation ecosystems that can harness innovation and digital technologies for sustainable development, including the focus on the transition towards a circular economy.

5. A core goal of the new network is to define how governments can most efficiently nurture broader and more systematic experimentation to catalyse broader societal transformations, including around socio-economic challenges.

6. ECE supports and nourishes ETIN through a series of meetings and activities around two work themes:

- (a) Ecosystem development for transformative innovation, and
- (b) Strategic learning for transformative innovation.

7. Each work theme is comprised of separate workstreams that focus on a particular area of each theme. Under the first work theme for ecosystem development, for example, a work stream on leveraging platforms for the transition towards the circular economy has been established. Each workstream involves a range of regular events and joint activities for exchange of experience and peer learning, webinars, and podcasts on different topics.

8. The project is based on certain principles to ensure that ETIN is sustainable and as beneficial to members as possible. In this vein, the project foresees substantial flexibility to ensure that activities: 1) are relevant, engaging, and informative; 2) create linkages and complementarities across activities and outputs; 3) are based on demand and common challenges; and 4) serve as a useful and impactful platform for knowledge exchange and peer learning. Project resources are being used in a flexible manner depending on the engagement, support and initiative of ETIN members, with the aim of streamlining activities and processes and relying more on support from ETIN members as the project progresses.

II. Launching and preparing for ETIN activities (Q4 2022 – Q3 2023)

11. ETIN was officially launched during the 14th Session of the ECE Team of Specialists on Innovation and Competitiveness Policies (ToS-ICP) held in Geneva on 14-15 November 2022. On that occasion, ETIN contributed significantly to the discussion during the policy dialogue on “Digital and green transformations: Innovation for a sustainable future”.

12. Building on this contribution, the period December 2022 – February 2023 was largely dedicated to consolidating the internal organisation and plan for future activities.

13. The period from March 2023 onwards saw a drastic shift in ETIN activities, with an increased focus on external activities and outreach. This deliberate change in operational mode can be divided in three types of activities.

ETIN initiated events

14. A first category concerns activities that ETIN initiated, or co-organised with some of its members. The events are in sequential order:

(a) A hybrid *seminar* entitled “Platforms, circular economy, and transformative innovation: a cross-industry comparison” that married insights from two ongoing debates – i.e. the platform economy and circular economy – to explore potential synergies (3 March 2023).

(b) Two virtual *policy dialogues* on the broader topic “Pathways to transformative innovation”, co-organized with the Swedish Agency for Innovation Systems, Vinnova (7 March 2023) and the UK innovation agency for social good, Nesta (14 March 2023). In these

events, participants and experts jointly discussed the opportunities and pitfalls with different models currently emerging to govern and organize work processes for transformative innovation.

(c) A two-day *workshop*, co-organized with our local partner Regional Cooperation Council (RCC), in Montenegro 20-21 September 2023. The purpose of the event, entitled “Technical Meeting on the Role of Transformative Innovation (TI) in Supporting the Green and Digital Transition of the Western Balkans”, was to 1) introduce the concept of transformative innovation to the Western Balkan region; 2) create new alliances for future work in the region; and 3) receive comments and feedback on an expanded methodology for the ECE Innovation Policy Outlook. The event was productive on all ends and a second workshop is currently planned for February 2024.

ETIN initiated events back-to-back to ECE flagship events

15. Adding to the above, ETIN also held a series of events back-to-back to ECE official events. The ambition was to create synergies between the network and ECE by having its members participating in, contributing to and learning from ongoing ECE debates.

(a) The first *ETIN Innovation Days*, organized in conjunction with ECE Regional Forum for Sustainable Development (RFSO) (29-30 March 2023), highlighted the international dimension of transformative innovation – a topic that is gaining surprisingly little attention in the debate. The discussions were organized around a series of meetings and encounters in direct relation to, but also outside, the RFSO. Moreover, several ETIN members participated in the peer-learning roundtable, “Out of the box – innovative pathways to accelerate sustainable development” that the network co-organized at the Forum.

(b) Similarly, ETIN was actively involved in both the design and completion of some of the *virtual side events* leading up to the 70th session of the Economic Commission for Europe (4-5 April 2023). Several ETIN members participated in the activities around “The future of regulation in the pan-European region: Horizon-scanning for a sustainable and equitable future”.

Other activities

16. In parallel ETIN has also pursued other forms of outreach.

(a) The completion of the specific policy report, “Digital and green transformations for sustainable development in the region of the Economic Commission for Europe”, that was an input to the 16th session of the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP) (31 May – 2 June 2023).

(b) Between 10-14 July 2023, the secretariat visited Cambridge, MA to 1) participate in the MIT Platform Strategy Summit 2023; 2) have a series of work meetings related to the emerging workstream on circular platform (see 7 above); 3) hold additional meetings on transformative innovation in general; and 4) expand the network. The visit turned out to be highly successful and consolidated the work within the before-mentioned work stream.

(c) On 17-18 October 2023, the ETIN coordinator participated in the Nordic Circular Summit in Reykjavik, Iceland, where he presented ETIN and its ongoing work on circular platforms for an international network on circular economy. The event provided an excellent opportunity to highlight ETIN and expand the network with new members.

III. ETIN consultations

17. To guide project activities, the secretariat created the network, recruiting ETIN members, including focal points from innovation agencies mandated to support transformative innovation, think tanks, and research organisations providing analytical work and other actors working on the issue, for regular consultation.

- On 5 May 2022, ECE organized a first consultation meeting for prospective ETIN members. Participants discussed common concerns, needs, and priorities where ETIN and project activities could play an important and relevant role in supporting

member States, thereby providing an initial momentum for ETIN to evolve into a vibrant platform for exchange and joint initiatives beyond the scope of the project.

- The second consultation meeting was organised on 9 June 2022, to discuss the official high-level launch of ETIN in November 2022 as well as plans for specific activities and work streams, based on the previously discussed needs and gaps that ETIN could fill.
- On 27 April 2023, ECE organized its third consultation to review the progress made since ETIN launch in November 2023 and it will contribute to the policy dialogue at the 14th session of ToS-ICP.

18. ETIN will hold its fourth consultation meeting at the beginning of December 2023 to reflect on the activities conducted since April 2023, including the Technical Meeting on the Role of Transformative Innovation in Supporting Green and Digital Transitions in the Western Balkans, organised on 20 and 21 September 2023 in Pržno, Montenegro.

IV. ETIN “Innovation Matters” and “Innovation Circle” podcast series

19. The Innovation Matters podcast series explores how innovation, or experimentation with ideas to create value, could drive progress towards the Sustainable Development Goals in the ECE region and beyond.

20. The ambition is to provide ECE policymakers and other stakeholders with a better understanding of how innovation is transforming our world, and the potential opportunities and challenges ahead. The episodes engage leading experts on different topics related to innovation, such as the platform economy, the fourth industrial revolution, and the rise of autonomous vehicles.

21. To date, 13 episodes have been released, with additional ones undergoing editing (see annex). The podcasts can all be downloaded and listened to whenever suitable.

22. To complement the mentioned podcasts series, and to create a space for direct interaction between members and experts, ETIN is also launching a live podcast series, titled “Innovation Circle”. This series of podcast episodes will 1) be transmitted over video; 2) have a slightly more practical focus; and 3) provide interested ETIN members with the opportunity to engage directly with the podcast guest in a live setting. The recorded session will be made public 3-4 weeks later. Innovation Circle will be launched in November 2023, with three episodes planned for the remainder of 2023.

V. Other activities and measures underway

23. To support interaction, in the form of blogs and general knowledge sharing as well as provide designated workspaces for ongoing and future activities, ETIN has also developed an online platform for its members. The latter will, along with an updated version of ETIN public homepage, be fully operational in early November 2023.

24. To support the dissemination of analytical and policy-related work generated within the network, ETIN is also starting a working paper series, which will be launched in January 2024.

VI. Charting the ETIN way forward (Q4 2023 and onwards)

25. Building on these experiences, ETIN is now entering a new phase where the ambition is to further develop the network. Three broader issues will guide this strategic discussion: 1) how to best grow and extend the network (governance); 2) how to fill the more specific niche in which ETIN can provide unique support and insights (format and content); and 3) how to build the basis for ensuring sustainability of the current success, including by planning

for the mobilization of follow-up funding for the post 2024 period. The ambition is to complement, rather than overlap, other and similar initiatives.

26. To this extent we call upon on countries and development partners to continuous and additional support to ETIN.

Annex I**Published “Innovation matters’ podcasts (as of 1 November, 2023)**

| | <i>Title</i> | <i>Guest</i> | <i>Date of release</i> |
|----|--|---------------------------------|------------------------|
| 1 | The platform economy - revolutionizing how we produce, consume and interact? | Michael Munger | 31.05.2022 |
| 2 | Post-socialist transition 30 years on: the importance of furthering broad Innovation to progress towards Agenda 2030 | Aleksandr V. Gevorkyan | 09.06.2022 |
| 4 | The rise of the global digital economy & lessons from East | Carin Holroyd & Ken Coates | 07.07.2022 |
| 5 | The innovation paradox - innovation in transition economies | William Maloney & Xavier Cirera | 22.07.2022 |
| 6 | Holistic innovation policy and the governance of national innovation systems | Charles Edquist | 10.08.2022 |
| 7 | Regional & local innovation hubs to accelerate sustainability shifts | Cristina Chaminade | 06.10.2022 |
| 8 | The innovation commons | Jason Potts | 02.11.2022 |
| 9 | Cities as test-beds of innovation for sustainability | Susan Borrás | 14.12.2022 |
| 10 | Transformative innovation & entrepreneurship for sustainable development | Barbara Diehl | 06.02.2023 |
| 11 | Openness to creative destruction - lessons from history | Arthur Diamond | 24.02.2023 |
| 12 | The role of governments | Josh Lerner | 13.07.2023 |
| 13 | Shaping long-term societal development | Philip Auerswald | 16.08.2023 |
| 14 | Automation and utopian futures? | John Danner | 07.09.2023 |
| 15 | Converging technologies and transformation | Steven Kotler | 13.10.2023 |