

The UNECE Subregional Innovation Policy Outlook

Objectives review

The UNECE Subregional Innovation Policy Outlook aims to assess the scope and quality of innovation policies, institutions, and processes across up to six countries in Eastern Europe and the Caucasus (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) and publish the results in a UNECE publication in the summer of 2020.

The project serves to identify strengths and weaknesses, to enlarge the evidence base for mutual policy learning, and to improve innovation policies, institutions and processes, and enhance their productivity and competitiveness.

Methodology

The Subregional Outlook is composed of a set of indicators (approximately 50), which are structured around three pillars: *Innovation Governance*, *Innovation Policy Tools*, and *The Innovation Policy Process*.

The three pillars combined aim to capture not so much input and output measures for innovation policy, but rather central mechanisms that translate inputs to outputs, such as institutional capacities and policy design. As innovation policy often involves targeted public support for specific projects, these issues are of utmost importance to ensure that scarce public resources are put to optimal use with minimal distortion.

The first Pillar, *Innovation Governance*, assesses the overarching strategic, institutional, and legal framework for innovation policy, as well as the competences of and co-ordination among government bodies involved in innovation policy. It reveals, if the governance of innovation policy is sound and well structured.

The second pillar, *Policy Tools to Foster and Support Innovation*, takes stock of policy tools that are put in place to support innovation demand and supply. The pillar does not merely examine the scale and scope of these policy tools, but also their quality and implementation status.

The third pillar, *The Innovation Policy Process*, examines the underlying process for innovation policy. It looks at the details and, even more importantly, the evidence of data-driven consequences in decision-making and subsequent policy design. It follows the policy-making path from its outset (agenda setting and rationale) through policy design, implementation, evaluation and learning.

The indicators are transposed into questionnaires, containing multiple questions per indicator. These questionnaires will be filled out in a government self-assessment by government bodies co-ordinated by a National Government Focal Point in each country; they will also be filled in by UNECE in parallel with the support of independent, local experts. The filled-out questionnaires will form the basis of the Subregional Innovation Policy Outlook assessment.

How is the Subregional Innovation Policy Outlook different from other benchmarking instruments?

The Subregional Innovation Policy Outlook is a new initiative, aiming to find quantifiable indicators to cover issues that previous similar attempts have neglected to cover, such as the scope and quality of policy processes and institutional capacities for implementation.

Leading benchmarking instruments, such as the Global Innovation Index capture input and output measures well, but fall short on, inter alia, two fronts.

First, they do not capture central mechanisms that translate inputs to outputs, such as institutional capacities and policy design. As innovation policy often involves targeted public support for specific projects, these issues are of utmost importance to ensure that scarce public resources are put to optimal use.

Second, as they cover a large range of countries, they do not adapt the model based on a solid understanding of the economic, political, structural, historical, and institutional factors that strongly influence innovation-led development in specific regions.

As many ECE countries in transition share features that set them apart from other countries at comparable output levels, such as strong institutional legacies, high levels of educational attainment, and a legacy of frontier research, there is a clear need for indicators that capture these specificities to guide policy and institutional reform efforts.

Timeline

The UNECE Subregional Innovation Policy Outlook is structured around four phases:

- ▶ Phase I (October 2018 – February 2019) develops the concept and methodology and initiates and promotes the project in the region. It includes detailed discussions and partner country endorsements at the November 2018 11th Session of the Team of Specialists on Innovation and Competitiveness Policies and culminates in the drafting of the questionnaires that will be applied during Phases II and III.
- ▶ Phase II (February – April 2019) consists of evaluating the methodology by applying it to Georgia, including the project questionnaire, which forms the basis of the data mining. The evaluation results will be used to perfect and finalise the methodology. This Phase is structured around an initiation research mission and stakeholder focus group meetings to test the methodology and questionnaires and coincides with the 2019 meeting of the UNECE Committee on Innovation, Competitiveness and Public-Private Partnerships, where the updated methodology and process will be presented.
- ▶ Phase III (April – September 2019) is the assessment phase, where data is mined through research missions, collaborations with local research teams and government self-assessments, which are based on the project questionnaire. It culminates in a post-summer regional meeting to take stock of the process.
- ▶ Phase IV (September – December 2019) focuses on consultations with innovation stakeholders to discuss first findings and fill final information gaps. This phase involves another round of country missions with large stakeholder consultation meetings and ends with a regional meeting to discuss and validate key regional findings and recommendations.
- ▶ Phase V (January 2020 – July 2020) consists of the drafting of the publication manuscript, consultations with stakeholders and experts, peer reviews, professional editing, translation, and preparing the final manuscript.
- ▶ Phase VI (Summer 2020) prints, publishes and launches the UNECE publication “Subregional Innovation Policy Outlook 2020”.