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## Economic Commission for Europe

### Committee on Innovation, Competitiveness and Public-Private Partnerships

Sixteenth session

Geneva, 31 May–2 June 2023

## Report of the Committee on Innovation, Competitiveness and Public-Private Partnerships on its sixteenth session

### I. Overview

1. The United Nations Economic Commission for Europe (ECE) Committee on Innovation, Competitiveness and Public-Private Partnerships held its sixteenth session from 31 May to 2 June 2023.
2. In the absence of the chair, and in accordance with the bureau decision on this matter of 13 October 2022, the vice-chair Mr. George Katapodis opened the meeting and welcomed the participants.
3. In her opening remarks, the Executive Secretary of ECE observed that the region was on track only to achieve a quarter of the targets of the 2030 Agenda for Sustainable Development for which sufficient evidence was available. At the seventieth session of ECE, member States had called on all inter-governmental bodies to promote digital and green transformations to accelerate progress. The Executive Secretary argued that the need for innovation, including transformative innovation, and infrastructure investments, particularly through Public-Private Partnerships (PPPs), had never been greater. She expressed her hope that the Committee would develop actionable new ideas on how to contribute to the digital and green transformations. The Executive Secretary also thanked all donors whose financial contributions made the Committee's technical cooperation work possible.

### II. Attendance

4. Almost 230 participants attended the session, including representatives from the following ECE member States: 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.
5. Representatives of the following non-ECE Member States also attended: Brazil, Egypt, Libya.
6. Representatives of the European Union also participated.
7. The following specialized agencies in the United Nations system also attended: the United Nations International Children's Emergency Fund (UNICEF), the United Nations Conference on Trade and Development, the United Nations Economic and Social



Commission for Asia and the Pacific, the United Nations Environment Programme, the United Nations Development Programme, the United Nations Industrial Development Organisation, the United Nations Refugee Agency (UNHCR).

8. Other organizations (local authorities, academic institutions, international organisations outside the UN system, non-governmental organisations and private sector entities) participated at the invitation of the secretariat.

### III. Adoption of the agenda (Agenda item 1)

Documentation:

<i>Title of document</i>	<i>Document symbol</i>	<i>For information/decision</i>
Annotated provisional agenda	ECE/CECI/2023/1	Decision

#### Decision 2023 - 1

The Committee adopted the agenda for its sixteenth session (ECE/CECI/2023/1).

### IV. Election of officers (Agenda item 2)

9. The secretariat informed the Committee that the chair, Mr. Firpo (Italy), had left the Government and was stepping down. The following three bureau members were also stepping down: Mr. Shuba (Belarus), Mr. Weil von der Ahe (Germany), and Mr. Dyussebayev (Kazakhstan). Ms. Vashakmadze (Georgia) had completed one term of office.

#### Decision 2023 – 2.1

The Committee thanked the outgoing bureau members, Mr. Stefano Firpo (Italy, chair), Mr. Sergey Shuba (Belarus), Mr. Nicolaus-Alejandro Weil von der Ahe (Germany), and Mr. Medet Dyussebayev (Kazakhstan), for their service.

#### Decision 2023 – 2.2

The Committee elected Mr. George Katapodis (Greece) as chair, re-elected Ms. Annie Vashakmadze (Georgia) to a second term as vice-chair, and elected Mr. Moritz Gherlig von der Wense (Germany), Ms. Aisuluu Mustapakulova (Kyrgyzstan), Ms. Bojana Femic Radosavovic (Montenegro) and Mr. Joao Mendes Borge (Portugal) as new vice-chairs for terms of two years starting at the present session.

### V. International Policy Dialogue on “Digital and green transformations – The role of innovation and public-private partnerships” (Agenda item 3)

10. Building on its existing expertise and prior work, the Committee exchanged experiences, shared case studies, reviewed progress, and identified knowledge gaps as a basis for further work to promote innovations and PPPs that can accelerate digital and green transformations.

11. The Committee thanked the speakers and participants for their contributions to the discussion. The Chairperson’s summary of the discussions is in Annex I.

#### Decision 2023 – 3

The Committee welcomed the timely discussions under the substantive segment (agenda item 3) and emphasized the importance of innovation and public-private partnerships for the digital and green transformations. It invited the secretariat to make use of the results of the international policy dialogue in implementing the Programme of Work.

## VI. Implementation of the programme of work (Agenda item 4)

### A. Team of Specialists on Innovation and Competitiveness Policies (Agenda item 4(a))

Documentation:

<i>Title of document</i>	<i>Document symbol</i>	<i>For information/decision</i>
Report of the Team of Specialists on Innovation and Competitiveness Policies on its fourteenth session	ECE/CECI/ICP/2022/2	Decision
Transformative innovation for a sustainable future	ECE/CECI/2023/3	Decision
Findings and recommendations from the Interim Sub-regional Innovation Policy Outlook 2022: Eastern Europe and the South Caucasus	ECE/CECI/2023/INF.2	Information
Progress on the Innovation for Sustainable Development Review of Ukraine	ECE/CECI/2023/INF.3	Information
Progress of the work of the UN-ECE Transformative Innovation Network	ECE/CECI/2023/INF.4	Information
Progress of the work of the SPECA Working Group on Innovation and Technology for Sustainable Development	ECE/CECI/2023/INF.5	Information

#### (i) Reporting on the work done since the fifteenth session of the Committee

12. The Chairperson referred the Committee to the report of the Team of Specialists on Innovation and Competitiveness Policies (TOS-ICP) on its fourteenth session (ECE/CECI/ICP/2022/2). The secretariat provided a status report of the work on innovation and competitiveness since the fifteenth session in June 2022.

13. The ECE work on innovation and competitiveness continued to focus on the SDGs by developing international good policy practices, benchmarking national policies against them on request, developing recommendations for policy reforms, and building national capacity for implementing them.

#### *International policy dialogue*

14. As part of its fourteenth session, the Team held an international policy dialogue on “Exploring the power of transformative innovation”. The resulting policy document “Transformative innovation for a sustainable future” (ECE/CECI/2023/3) presented the case for promoting transformative innovation; the characteristics of transformative innovation; the challenges to promoting it; policy options that could help solve these challenges; and the role the Committee could play in promoting transformative innovation. The document identified policy options in four main areas:

- Stimulating demand for transformative innovation through innovation-enhancing public procurement and by removing subsidies for unsustainable products.
- Promoting experimentation and learning, including at the policy level, through comprehensive evaluations using state-of-the-art metrics and methodologies, and through capacity-building and life-long learning programmes.
- Supporting cooperation among all stakeholders through national innovation agencies insulated from undue political influence, with stable funding, fast grant procedures, and the ability to support innovative companies in penetrating international markets.
- Harnessing the power of digitalization by exploring the potential of the platform economy and offering public support for so-called innovation commons.

#### ***Innovation for Sustainable Development Reviews***

15. The secretariat presented the main results of the Innovation for Sustainable Development Review (I4SDR) of Armenia and informed the Committee that the Review would be launched at high-level in Yerevan on 7 June 2023.

16. The secretariat also presented for information a note by the secretariat on progress on the I4SDR of Ukraine (ECE/CECI/2023/INF.3). The delegation of the Russian Federation registered its reservations to this document concerning what the delegation considered biased assessments of the conflict in Ukraine and politicized language, including the use of the word “invasion” in paragraph 7 of the document.

#### ***Innovation Policy Outlook***

17. The Interim Sub-regional Innovation Policy Outlook (IIPO) for Eastern Europe and the South Caucasus (EESC) 2022 was launched at the session. The secretariat presented the main findings and recommendations (ECE/CECI/2023/INF.2). The IIPO highlighted that EESC countries needed to reinforce efforts towards achieving innovation-led sustainable development. The IIPO provided in-depth analysis and recommendations on two sub-regional priority areas: enhancing science-business linkages in the EESC sub-region; and using innovation-enhancing procurement as a tool to foster innovation.

18. The beneficiary countries welcomed the findings and recommendations of the IIPO and emphasized the significant impact that the project had had on the sub-regional and national innovation landscape. They expressed a strong commitment to continuing the Innovation Policy Outlook (IPO) process. The secretariat also acknowledged extrabudgetary funding from the Swedish International Development Cooperation Agency SIDA for the IPO process, and called on donors and development partners to consider providing additional funding for the implementation of policy recommendations:

- The delegation of Armenia stated that policymakers highly valued the expertise provided through the IIPO as a guide for decision-making processes and identifying policy gaps in fostering innovation-led growth.
- The delegation of Azerbaijan praised the peer learning under the IPO process, allowing the country to seize opportunities for cross-regional cooperation and knowledge spill-overs. The findings and recommendations of the Outlook had supported the drafting of two national laws, as well as the establishment of a national innovation agency.
- The delegation of Georgia highlighted the complementarity of the IPO with other ECE work streams on innovation and its catalytic role in developing legal and policy frameworks, including on innovation-enhancing public procurement, and ultimately in spurring innovation.
- The delegation of the Republic of Moldova expressed their gratitude for the momentum created by the IPO recommendations, highlighting that these fed into new national research programmes and related efforts. Committed to continuing this great work, the Republic of Moldova hoped for another full-fledged iteration.

- The delegation of Ukraine stated that the impact of IPO recommendations was substantial, as it showed the importance of building strong institutions and processes for sustainable recovery and the digital and green transformation of Ukraine. The recommendations had fed into updating the national innovation strategy and the related action plan which was currently being deliberated.
- The delegation of Sweden expressed its satisfaction with the close cooperation between SIDA and ECE in promoting innovation policy capacities in the EESC subregion, of which the IIPPO was a key component. Sweden was proud of the momentum for innovation-driven growth and development which the project had created.

#### ***UN-ECE Transformative Innovation Network (ETIN)***

19. The secretariat briefed delegates on the progress of the work of ETIN (ECE/CECI/2023/INF.4). Because the ECE region was not on track to meet the Sustainable Development Goals by 2030, there was an urgent need for increased coordination to accelerate innovation for a sustainable transformation of society. This raised new questions regarding innovation policy making and new opportunities for joint learning and capacity-building to which the network was responding.

20. ETIN had been launched at the fourteenth session of TOS-ICP. It was building a platform for peer learning in which policymakers, innovation agencies, entrepreneurs, industry representatives and experts in the field of transformative innovation could discuss and develop tools to promote innovative processes that increase competitiveness and accelerate a sustainable transformation in the ECE region.

21. The network was growing its membership and had created an interim core group to steer activities. In the first half of 2023, network members had organized three thematic discussions with about 100 participants on the potential of platforms to have a transformative impact and on mission-oriented innovation policies. The network had also contributed to a peer-learning roundtable on transformative innovation at the European Regional Forum on Sustainable Development in April 2023.

#### ***United Nations Special Programme for the Economies of Central Asia (SPECA)***

22. The secretariat briefed the Committee on the work under the Working Group on Innovation and Technology for Sustainable Development jointly managed with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (ECE/CECI/2023/INF.5). Among the highlights were two new policy handbooks: “Supporting Innovative High-Growth Enterprises in the SPECA Sub-region” and “New Innovation Policy for Transition Economies in the SPECA Sub-region”, and capacity-building seminars at sub-regional and national level, including under the SPECA Network of Business Incubators and Accelerators for Sustainable Development. The secretariat also briefed delegates about fundraising needs to meet strong demand from SPECA participating countries for technical cooperation on innovation policy.

23. Also under the above-mentioned network, ECE organised a side event to the Committee session on “Promoting women’s entrepreneurship in transition economies for sustainable development”. The event brought together panellists from governments, start-up accelerators, think tanks and international organisations with over fifty participants. Panellists identified several barriers for women entrepreneurs: (1) insufficient technical training; (2) insufficient social assistance to alleviate the burden of domestic work, which disproportionately falls on women; (3) insufficient access to funding; (4) lack of data on gender-related aspects of economic activities, which hinders the construction of gender-inclusive strategic frameworks; and (5) lack of gender mainstreaming in the institutions working on SMEs and economic empowerment. The panellists and participants also discussed success stories and policy recommendations for overcoming these barriers and empowering women entrepreneurs in transition economies.

**Decision 2023 – 4a.1**

The Committee expressed its satisfaction with the work of the Team of Specialists on Innovation and Competitiveness Policies as described in the report of the Team’s fourteenth session (ECE/CECI/ICP/2022/2) and thanked the Team’s bureau for its guidance and the secretariat for its support of this work.

**Decision 2023 – 4a.2**

The Committee endorsed the policy recommendations on “Transformative innovation for a sustainable future” (ECE/CECI/2023/3) and emphasized the need for further normative and capacity-building work on this important topic. It requested the secretariat to electronically disseminate the policy recommendations and to use them in future capacity-building activities and policy advisory work. The Committee also emphasized the critical importance of extrabudgetary funding for implementing its recommendations and called on donors and development partners to consider providing such funding.

**Decision 2023 – 4a.3**

The Committee welcomed the main results of the Innovation for Sustainable Development Review of Armenia and the Interim Sub-Regional Innovation Policy Outlook for Eastern Europe and the South Caucasus, with recommendations that provide a solid basis for policy reforms and capacity-building activities to support innovation for sustainable development. The Committee also welcomed the progress on the Innovation for Sustainable Development Review of Ukraine.<sup>1</sup> The Committee also emphasized the critical importance of extra-budgetary funding for its strategy to offer demand-based policy analyses and advisory services grounded in international good practice as developed under its auspices and called on donors and development partners to consider providing additional funding.

**Decision 2023 – 4a.4**

The Committee also welcomed the results of capacity-building programmes supporting the implementation of policy recommendations from the Innovation for Sustainable Development Reviews of Georgia, the Republic of Moldova and Uzbekistan. The Committee stressed the importance of continued capacity-building to ensure that the analyses of national innovation policies result in tangible improvements of innovation performance in beneficiary countries. It thanked the Government of Sweden for its generous financial support to the Committee’s policy analysis and capacity-building work. The Committee also emphasized the critical importance of extra-budgetary funding for continuing this work and called on donors and development partners to consider providing additional funding.

**Decision 2023 – 4a.5**

The Committee welcomed the work done under the new UN-ECE Transformative Innovation Network (ETIN). It emphasized the crucial role of policies supporting truly transformative innovation for accelerating progress towards sustainable development and the potential of this work to contribute substantially to the cross-sectoral priority themes of the Economic Commission for Europe, i.e., the circular economy transition, and digital and green transformations. The Committee noted with appreciation the efforts of the secretariat to expand ETIN to involve innovation policy stakeholders from programme countries, including the Western Balkans and Central Asia.

**Decision 2023 – 4a.6**

The Committee emphasized the relevance of its mandate for SDGs 9 and 17, two SDGs that were under review at the High-level Political Forum on Sustainable Development in 2023. The Committee welcomed in this regard the peer-learning roundtable on “Transformative innovation to accelerate sustainable development” co-organized at the Regional Forum on Sustainable Development for the ECE Region by the Team of Specialists and of ETIN and the United Nations Industrial Development Organization.

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<sup>1</sup> The delegation of the Russian Federation registered its reservations to the information document “Progress on the Innovation for Sustainable Development Review of Ukraine” prepared by the secretariat (ECE/CECI/2023/INF.3).

**Decision 2023 – 4a.7**

The Committee welcomed the progress made by the SPECA Working Group on Innovation and Technology for Sustainable Development in support of the SPECA Strategy on Innovation for Sustainable Development, notably the policy handbook on “Supporting innovative high-growth enterprises in the SPECA sub-region” that was recently issued as an official UN publication. The Committee also welcomed the work on the forthcoming ECE policy handbook on “New innovation policy for transition economies in the SPECA subregion”.

The Committee took note of the three areas of common interest identified in the Joint Ministerial Statement adopted at the Meeting of Ministers of SPECA Participating States on the margins of the seventieth session of the Economic Commission for Europe on 17 April 2023, namely the diversification of transport routes, trade and transport facilitation, and digital and green transformations.

The Committee re-affirmed the benefits of sub-regional dialogue and exchanges of experience on innovation policy grounded in international good practices for the SPECA region to progress towards the Sustainable Development Goals. The Committee thanked the secretariat for supporting this process. It emphasized the critical importance of extra-budgetary funding to maintain the activities under the SPECA Strategy on Innovation for Sustainable Development, including those of the SPECA Network of Business Incubators and Accelerators, and called on donors and development partners to consider providing additional funding.

**Decision 2023 – 4a.8**

The Committee renewed the mandate of the Team of Specialists for two years until 2025.

**(ii) Impact of the work done since the fifteenth session**

24. The following member States reported back to the Committee on the impact its work on innovation policy was having at the country level: Armenia, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Uzbekistan. All delegations emphasized that they consider innovation a strategic priority for their economic and sustainable development and expressed their appreciation for ECE’s support and expertise:

- Armenia thanked Sweden for its financial support in carrying out the I4SDR of Armenia. The Review, which was to be launched officially in Armenia on 7 June 2023, would serve to strengthen innovation policy governance and coordination in the country.
- Georgia informed the Committee about progress with innovation policy reforms based on recommendations from the I4SDR of Georgia and the sub-regional IPO of the EESC subregion, particularly on the legal framework supporting innovation-enhancing procurement.
- Kazakhstan had introduced a framework on science and innovation. an innovation council chaired by the prime minister, and a venture fund. The delegation expressed its appreciation for ECE trainings provided under the SPECA network of business incubators and accelerators, including on high-growth enterprises. Kazakhstan also was interested in participating in an IPO for Central Asia.
- Following the roadmap on innovation infrastructure development drawn up with ECE support, Kyrgyzstan had opened its first innovation centre, and had created business incubators in more than 30 universities and 40 innovation projects in 40 regions. Kyrgyzstan requested additional ECE support for promoting start-ups, including through study tours to more developed countries.
- The Republic of Moldova had followed up on the recommendations from its I4SDR by creating, with ECE capacity-building support, a technology transfer roadmap, which would be implemented through the new national programme on research and innovation 2024 – 2027.

- Uzbekistan had actively participated in ECE capacity-building through the SPECA network on business incubators and accelerators and was working on implementing the recommendations from the I4SDR. The country was also participating in ETIN.

#### Decision 2023 – 4a.9

The Committee congratulated the Governments of Armenia, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Ukraine and Uzbekistan on the progress they have made with innovation policy reforms thanks to the normative, policy advisory and capacity-building work undertaken under the auspices of the Committee. The Committee encouraged the Governments of other member States which have undertaken ECE Innovation for Sustainable Development Reviews to provide the Committee with updates on progress with innovation policy reform as appropriate. The Committee expressed its satisfaction with the impact its work is having, while also stressing that significantly more progress on innovation is urgently needed if the ECE region is to achieve the Sustainable Development Goals.

## B. Working Party on Public-Private Partnerships (Agenda item 4(b))

Documentation:

<i>Title of document</i>	<i>Document symbol</i>	<i>For information/decision</i>
Report of the Working Party on Public-Private Partnerships on its sixth session	ECE/CECI/WP/PPP/2022/2	Decision
Guidelines on Public-Private Partnerships for the Sustainable Development Goals in Waste-to-Energy Projects for Non-Recyclable Waste: Pathways towards a Circular Economy	ECE/CECI/WP/PPP/2022/3	Decision
Guidelines on promoting Circular Economy in Public-Private Partnerships for the United Nations Sustainable Development Goals	ECE/CECI/WP/PPP/2022/4	Decision
Standard on Public-Private Partnerships/Concession Model Law <sup>2</sup>	ECE/CECI/WP/PPP/2022/5	Decision
PPP and Infrastructure Evaluation and Rating System (PIERS): An Evaluation Methodology for the Sustainable Development Goals	ECE/CECI/2023/4	Information

### (i) Reporting on the work done since the fifteenth session of the Committee

25. The Chairperson referred the Committee to the report of the Working Party on its sixth session (ECE/CECI/WP/2022/2). The secretariat provided a status report of the PPP work since the fifteenth session in June 2022.

<sup>2</sup> The standard was renamed by the Working Party as “Standard on PPP/Concession legal framework in support of the Sustainable Development Goals”.



26. The ECE PPP work continued to focus on the SDGs by promoting the five desirable outcomes through PPP standards, the guiding principles, the evaluation methodology, best practices and recommendations, and their voluntary use and implementation in countries.

#### ***Working Party session***

27. The policy discussion at the sixth session of the Working Party featured panel discussions on sustainable economic recovery and reconstruction, and digital transformation. The Working Party endorsed the following policy documents:

- Guidelines on Public-Private Partnerships for the Sustainable Development Goals in Waste-to-Energy Projects for Non-Recyclable Waste: Pathways towards a Circular Economy (ECE/CECI/WP/PPP/2022/3)
- Guidelines on promoting Circular Economy in Public-Private Partnerships for the United Nations Sustainable Development Goals (ECE/CECI/WP/PPP/2022/4) and
- Standard on Public-Private Partnerships/Concession Model Law (ECE/CECI/WP/PPP/2022/5)

28. When endorsing the standard in ECE/CECI/WP/PPP/2022/5, the Working Party considered the proposal from its Bureau for a possible change of the name of the “model law” and decided to rename the standard as: Standard on PPP/Concession Legal Framework in support of the Sustainable Development Goals. The Working Party also requested the Bureau to finalise the commentary/accompanying guide in 2023.

29. The Working Party also took note of two of the three core documents reissued to reflect the change of name in line with the Committee’s decision 2022 – 4b.2:

- Introduction to Public-Private Partnerships in support of the United Nations Sustainable Development Goals (ECE/CECI/PPP/WP/2022/6) and
- Guiding Principles on Public-Private Partnerships in support of the United Nations Sustainable Development Goals (ECE/CECI/PPP/WP/2022/7)

The third core document was reissued for the Committee session, and was submitted for information:

- PPP and Infrastructure Evaluation and Rating System (PIERS): An Evaluation Methodology for the SDGs (ECE/CECI/2023/4)

#### ***International PPP Forum***

30. The seventh ECE International PPP Forum was held in Athens, Greece on 3-5 May 2023, co-organised with the Municipality of Athens, and with the support of the Government of Greece. The Forum addressed challenges and opportunities at both national and city level, including economic recovery and reconstruction, the circular economy, digital transformation, sustainable finance, and resilient infrastructure. The Forum also offered a platform to other stakeholders to present their work through side events.

31. A highlight of the Forum was the ECE PPP and infrastructure award 2023, showcasing PPP and infrastructure projects from around the world. The focus of this year’s competition was on the circular economy. Almost fifty projects from 33 countries were submitted and evaluated using PIERS. An international jury pre-selected five finalists. The winner was decided by the Forum participants through electronic voting. The winner of the 2023 competition was the 1915 Canakkale Bridge in Türkiye, and the runner up was the Energy Retrofit of Buildings in Ljubljana, Slovenia.

32. The international jury also awarded special commendations to six projects that excelled in one or more of the ECE five desirable PPPs for the SDGs outcomes, namely:

- Argentina (rural roads project)
- Germany (A6 motorway)
- Greece (water irrigation project)
- India (elevated metro system)

- Lithuania (reconstruction of schools programme)
- Mali (national park project)

33. A compendium was published featuring 49 projects with a total capital investment of 38.7 billion dollars. This compendium was contributing towards the campaign to reach 500 projects that aspire to be SDG-compliant.

34. The Forum attracted over 900 participants, with 300 participating in-person, and 130 speakers and panellists during 24 sessions over three days; 36 projects presented; seven policy debates; twelve parallel sessions; one roundtable discussion; and four side events.

#### *Normative work*

35. The Working Party identified twelve future policy documents in line with the priority topics agreed by the Committee at its last session. Work on five of the twelve documents was launched in 2023, namely to develop guidelines on:

- Improving the delivery of PPPs through digital transformation throughout the project lifecycle in support of the SDGs
- PPPs in digital infrastructure: diagnostics in healthcare (telemedicine) and other digital public services
- Green and sustainable PPP procurement for the SDGs
- The state of PPP and infrastructure finance halfway to 2030
- The pros and cons of simplifying and accelerating the delivery of PPP projects for the SDGs for sustainable economic recovery and reconstruction

#### *Capacity- building activities and policy advisory services*

36. The secretariat informed the Committee that PIERS was at the centre of most capacity-building activities, covering all of the ECE programme countries, with over 450 participants, mostly public officials, attending these events.

37. PIERS had already served as a blueprint for the ECE-wide compendium on 30 climate projects at pre-finance stage for a total investment value of \$20 billion. The compendium was presented at the ECE Regional Forum on Climate Initiatives to Finance Climate Action and the SDGs in October 2022 and submitted to the 2022 United Nations Climate Change Conference in November 2022 in Sharm-El-Sheikh, Egypt, commonly known as the twenty-seventh Conference of the Parties (COP27).

38. An online application was currently being developed to make PIERS more user friendly. In consultation with the Sustainable Infrastructure Foundation, which manages the SOURCE platform, it was agreed to make a 'bridge' between SOURCE and the online application where SOURCE users would have an option to use PIERS on their projects to assess their sustainability credentials.

39. There was a growing need for extrabudgetary funding to match the growing demands for PPP support from programme countries. The secretariat was developing a fundraising strategy, and would approach potential donors with requests for financial support.

40. The representative of Kyrgyzstan referred to the long-standing PPP cooperation with ECE, most recently on an international conference in Bishkek in October 2022. A training event for PPP public officials was also organised on the use of PIERS, leading to the identification of eight projects in Kyrgyzstan to be evaluated by ECE experts using PIERS. The representative stressed the importance of this work as the country was very keen to promote sustainable PPPs in line with its national SDG strategy. PIERS was helpful in improving the sustainability credentials of Kyrgyz PPP projects, and ultimately making them more attractive for international investors.

#### **Decision 2023 – 4b.1**

The Committee expressed its satisfaction with the work of the Working Party on Public Private-Partnerships (PPPs) and endorsed the report of its sixth session (ECE/CECI/WP/PPP/2022/2) held on 1 and 2 December 2022, and thanked the Working Party's bureau for its guidance and the secretariat for its support of this work.

#### **Decision 2023 – 4b.2**

The Committee noted with appreciation the Working Party's contribution since 2020 to promoting circular economy in PPPs and infrastructure in response to the sixty-ninth Commission session (Decision 69A and Decision 69B).

The Committee approved the:

- Guidelines on Public-Private Partnerships for the Sustainable Development Goals in Waste-to-Energy Projects for Non-Recyclable Waste: Pathways towards a Circular Economy (ECE/CECI/WP/PPP/2022/3); and
- Guidelines on promoting Circular Economy in Public-Private Partnerships for the United Nations Sustainable Development Goals (ECE/CECI/WP/PPP/2022/4).

The Committee requested the secretariat to support the implementation and use of these guidelines through demand-driven capacity-building and policy advisory services to ECE member States, as well as through the ECE network "Circular STEP". The Committee also emphasized the critical importance of extrabudgetary funding for implementing the above guidelines and called on donors and development partners to consider providing such funding.

#### **Decision 2023 – 4b.3**

The Committee approved the standard on PPP/Concession Model Law (ECE/CECI/WP/PPP/2022/5) and agreed with the Working Party's decision to rename the standard as: Standard on PPP/Concession Legal Framework in support of the Sustainable Development Goals.

The Committee also recommended its publication<sup>3</sup> and voluntary implementation by member States.

#### **Decision 2023 – 4b.4**

The Committee took note of the PPP and Infrastructure Evaluation and Rating System (PIERS): An Evaluation Methodology for the Sustainable Development Goals (ECE/CECI/2023/4) reissued to reflect:

- The change of name in line with the Committee's decision 2022 – 4b.2<sup>4</sup>; and
- The Working Party decision 2022 – 4.4 on the need for a more marketable name for the ECE PPP Evaluation Methodology.<sup>5</sup>

<sup>3</sup> Once finalised by the Bureau of the Working Party, the standard and the commentary/accompanying guide will be published as an ECE publication in the fourth quarter of 2023 in line with the Programme of Work of the ECI Subprogramme for 2022 (ECE/CECI/2022/5), including the proposed publications, approved by the Committee in 2022.

<sup>4</sup> Committee Decision 2022 – 4b.2: Regarding the continued use of the name "People-first PPPs for the SDGs", the Committee took note of the results of the informal consultations conducted with interested delegations on this matter since the fifth session of the Working Party in November 2021, and decided to (a) change the name to "PPPs for the SDGs" and (b) progressively reissue the documents endorsed and adopted by the Committee and the Working Party on PPPs to reflect (a) above within the document quota allocated to the ECI subprogramme and without incurring additional costs. The Committee requested the secretariat to reissue three core documents within twelve months, and the rest of the documents within three years. The Committee requested the Bureau of the Working Party on PPPs to decide on which non-core documents should be prioritised during this period.

<sup>5</sup> Working Party Decision Decision 2022 – 4.4: The Working Party, recognising the need for a more marketable name for the ECE PPP Evaluation Methodology for the SDGs, agreed with the Bureau recommendation to rename the Evaluation Methodology as "PPP and Infrastructure Evaluation and Rating System (PIERS): An Evaluation Methodology for the SDGs".

The Committee welcomed in particular that PIERS has already served as a blueprint for the ECE-wide compendium on 30 climate projects at pre-finance stage for a total investment value of \$20 billion. The compendium was presented at the ECE Regional Forum on Climate Initiatives to Finance Climate Action and the SDGs ahead of COP27.

#### **Decision 2023 – 4b.5**

The Committee welcomed the launching by the Working Party of five new PPP workstreams in 2023 on a number of priority topics agreed by the Committee at its fifteenth session in 2022. In particular, the Committee noted that the practical guides under preparation on digital transformation, green PPP procurement, PPP and infrastructure finance, and sustainable economic recovery and reconstruction, can play an important role to guide public officials in ensuring that PPPs are contributing to the SDGs.

#### **Decision 2023 – 4b.6**

The Committee welcomed the PPP policy advisory and capacity-building work carried out since its last session, in particular the seventh edition of the ECE International PPP Forum in May 2023 addressing topical issues, including digital and green transformations for sustainable development, economic recovery and reconstruction, climate and sustainable finance, and green PPP procurement. The Committee expressed its appreciation to the Municipality of Athens for hosting the Forum and to the Government of Greece for its support.

The Committee also emphasized the critical importance of extrabudgetary funding for continuing its work on PPP policy advice and capacity-building and called on donors and development partners to consider providing additional funding.

#### **(ii) Impact of the work done since the fifteenth session**

#### **Decision 2023 – 4b.7**

The Committee encouraged member States to provide the Committee with updates on progress with implementing PPPs for the SDGs as appropriate. The Committee expressed its satisfaction with the impact its work is having, while also stressing that significantly more progress on SDG-compatible infrastructure is urgently needed if the ECE region is to achieve the Sustainable Development Goals.

#### **(c) Recommendations from the evaluation of the Economic Commission for Europe: Subprogramme 4 and Subprogramme 6 by the United Nations Office of Internal Oversight**

41. In 2022, the United Nations Office of Internal Oversight Services (OIOS) evaluated the relevance, effectiveness, coherence, sustainability, and integration of cross-cutting issues in ECE's Subprogrammes 4: Economic Cooperation and Integration, and 6: Trade for the period 2018 – 2021. The evaluation was part of the secretariat's regular programme periodically evaluating selected aspects of its operations. The secretariat briefed the Committee on the findings and recommendations of the evaluation, the associated management response, and plans on implementing relevant recommendations.

42. The representative of Kyrgyzstan mentioned that officials from the Kyrgyz PPP Center had been very much involved in the OIOS evaluation. Kyrgyzstan welcomed the evaluation as it showcased the progress made by the country and the high quality of the support the country had received from ECE. On PPPs for instance, Kyrgyzstan no longer required general advice, but specific advice on how to improve its projects and make them more attractive to investors. This was the support that Kyrgyzstan was getting from the PPP secretariat at the moment.

#### **Decision 2023 – 4c.1**

The Committee welcomed the results of the evaluation of subprogramme 4 and subprogramme 6 (implemented by the ECE Economic Cooperation and Trade Division, (ECTD)) undertaken by the Office of Internal Oversight Services (OIOS) (ECE Executive Committee informal document no. 2023/21). The Committee noted with satisfaction the

evaluation's conclusions, notably that the Division had found its niche in a crowded space of trade and economic cooperation by leveraging its comparative advantages towards strengthening Member States' economic cooperation and integration.

The Committee also welcomed the evaluation's recommendations, notably, that ECTD should establish a technical cooperation request tracking mechanism; develop a division-wide integrated strategic plan; develop divisional action plans to operationalize ECE strategies on resource mobilization, partnerships, and technical cooperation; and ensure integration of gender, environment, disability inclusion, and human rights considerations in its various workstreams.

The Committee:

- Invited its Bureau to work with the secretariat on the implementation of the above recommendations and to report back to the seventeenth session of the Committee in 2024;
- Called on member States and development partners to work with the secretariat in support of the implementation of the ECE strategies on resource mobilization, partnerships, and technical cooperation.

### **Item 5. Programme of Work for 2024, Intersessional Implementation Plan for 2023–2024, and recommendations on key components of the Programme of Work for 2025**

Documentation:

<i>Title of document</i>	<i>Document symbol</i>	<i>For information/decision</i>
Draft Intersessional Implementation Plan for 2023–2024	ECE/CECI/2023/INF.6	Information
Draft Programme of Work for 2024	ECE/CECI/2023/5	Decision
Proposed Programme Budget for 2024: Part II. Programme plan and performance information of the Economic Cooperation and Integration subprogramme	ECE/CECI/2023/INF.7	Information
Fundraising needs and opportunities	ECE/CECI/2023/INF.8	Information
Outline of key components of the programme of work of the Economic Cooperation and Integration subprogramme for 2025	ECE/CECI/2023/INF.9	Decision

43. The secretariat presented the draft Intersessional Implementation Plan for 2023-2024 with activities planned for the remainder of 2023 and until the next session in 2024 (ECE/CECI/2023/INF.6).

44. The secretariat also briefed the Committee on requests received for technical cooperation and the efforts underway to raise the necessary additional extra-budgetary resources (ECE/CECI/2023/INF.8).

45. The secretariat also presented the programme plan and performance information of the Economic Cooperation and Integration (ECI) subprogramme for 2024 (ECE/CECI/2023/INF.7) for information and the draft Programme of Work for 2024 (ECE/CECI/2023/5), including the publications programme, for decision.

46. The secretariat reminded delegates that the programme plan and performance information for 2024 was an extract from the ECE proposed programme budget for 2024

which was reviewed by the ECE Executive Committee in January 2023 and submitted for consideration by the seventy-eighth session of the UN General Assembly. The draft Programme of Work reflected the annual format approved by General Assembly resolution 77/267 adopted on 30 December 2022.

47. The secretariat also presented the “Outline of key components of the programme of work of the Economic Cooperation and Integration subprogramme for 2025” (ECE/CECI/2023/INF.9) as an opportunity for the Committee to provide recommendations, as necessary, for inclusion in the proposed programme plan of the ECI subprogramme for 2025.

48. The following member States requested additional technical cooperation activities: Armenia, Azerbaijan, Georgia, Kyrgyzstan, Montenegro, North Macedonia, Republic of Moldova, Tajikistan, Ukraine and Uzbekistan. All delegations emphasized the usefulness of their cooperation with ECE. Most of these requests would require additional extra-budgetary funding.

- Armenia looked forward to the official launch of the national I4SDR and requested follow-up capacity-building to support the implementation of the Review’s policy recommendations in 2023 and 2024.
- Azerbaijan wished to expand cooperation with ECE on digitalization, entrepreneurship, financing for innovation, and PPPs. Azerbaijan requested an I4SDR and looked forward to participating in policy dialogues and capacity-building under SPECA and ETIN. Azerbaijan also requested ECE to co-organise an international PPP conference in Baku in the first half of 2024.
- Georgia offered to share the expertise gained in the course of cooperating with ECE on innovation policy, particularly on the topic of innovation-enhancing public procurement, with other member States. Georgia also expressed its interest in a second iteration of the sub-regional IPO for the EESC subregion.
- Kyrgyzstan requested a second I4SDR to build on the success of the first Review in 2018. Kyrgyzstan also requested further training under SPECA, including on business incubators. The national PPP Centre would co-organise with ECE an international PPP conference in Bishkek in September 2023. Kyrgyzstan expressed its appreciation to the secretariat for working closely with the United States Department of Commerce and other partners to ensure coordinated and impactful PPP support to Kyrgyzstan.
- Montenegro emphasized the importance of science, technology and innovation for its national development and expressed their interest in participating in a sub-regional IPO for the Western Balkans to support innovation policy reforms.
- North Macedonia expressed their interest in receiving support for further strengthening its innovation policies for sustainable development and in this regard also expressed their readiness to participate in a sub-regional IPO for the Western Balkans.
- Tajikistan informed the Committee of plans to conduct a national dialogue on the transition to a circular economy with ECE support and requested PPP support, in particular on the use of the ECE PIERS methodology on PPP and infrastructure projects in Tajikistan.
- The Republic of Moldova expressed its interest in a second sub-regional IPO and requested additional support for implementing the roadmap developed in follow-up to the country’s national I4SDR.
- Ukraine thanked the ECE for its ongoing PPP support and requested the secretariat to provide training to public officials on the use of PIERS for reconstruction projects in Ukraine. The representative also requested the ECE to evaluate a number of priority PPP and infrastructure projects in Ukraine using the PIERS methodology.

- Uzbekistan requested additional ECE support in implementing the policy recommendations from its national I4SDR. Uzbekistan was also interested in cooperating with ECE on transformative innovation.

#### **Decision 2023 – 5.1**

The Committee emphasized the large scope which its existing normative and technical cooperation work on innovation and PPPs for the SDGs holds for supporting member States in advancing on ECE’s cross cutting issues, i.e., the circular economy transition and the sustainable use of natural resources (sixty-ninth Commission Session) and digital and green transformations for sustainable development (seventieth Commission Session). The Committee thanked the secretariat for its proactive approach in facilitating the inclusion of these two topics in its work.

#### **Decision 2023 – 5.2**

The Committee adopted the Intersessional Implementation Plan for the activities to be undertaken in 2023 and until the next session in 2024. The Committee requested the final Intersessional Implementation Plan for 2023 - 2024 to be annexed to the report of the sixteenth session of the Committee.

#### **Decision 2023 – 5.3**

The Committee noted the usefulness of its policy and project assessments and capacity-building work as evidenced by the growing demand from member States for additional support in these areas. The Committee requested the secretariat to follow up on this demand subject to the availability of additional resources. The Committee in this regard welcomed the recent efforts of the secretariat at systematically identifying fundraising needs and opportunities and encouraged prospective donors to contribute additional resources to the Committee’s work.

#### **Decision 2023 – 5.4**

The Committee adopted the Programme of Work of the ECI Subprogramme for 2024 (ECE/CECI/2023/5), including the proposed publications.

#### **Decision 2023 – 5.5**

The Committee agreed on the “Outline of key components of the programme of work of the Economic Cooperation and Integration subprogramme for 2025” (ECE/CECI/2022/INF.9) without recommendations for changes.

### **Item 6. Areas of common interest with other Economic Commission for Europe bodies and international organisations**

49. The chair briefed the Committee on key takeaways from a working breakfast with the chairs of all ECE sectoral Committees and the Executive Secretary at the seventieth session of the Economic Commission for Europe. The chairs discussed two issues: (i) lessons learned from the way the different committees had incorporated the cross-cutting theme of the sixty-ninth session of the ECE, “Circular economy transition”, into their respective work programmes, and (ii) plans for incorporating the new cross-cutting theme launched at the seventieth session of the ECE, i.e. “Digital and green transformations”.

50. At the margins of the ECE session, the chair also discussed opportunities for cooperation around the new cross-cutting theme bilaterally with representatives of the ECE committees on Sustainable Energy, Urban Development, Housing and Land Management; and Environmental Policy, as well as with the chair of the UN Centre on Trade Facilitation and Electronic Business (UN/CEFACT).

51. The secretariats of the following ECE bodies and projects briefed the Committee on their respective plans for work on “Digital and green transformations” and on potential synergies and opportunities for cooperation:

- Committee on Sustainable Energy

- Committee on Environmental Policy
- Committee on Urban Development, Housing and Land Management
- Steering Committee on Trade Capacity and Standards
- UN/CEFACT
- Circular STEP network

52. The Committee on Sustainable Energy was working on financing the energy transition, where PPPs could play an important role in building the necessary infrastructure, and on digitalization, where innovation could help turn energy markets into smart markets (“smarkets”) that increase energy efficiency.

53. The Committee on Environmental Policy had organized the 2022 Environment for Europe Ministerial Conference, which had renewed its commitment to engage on innovation and PPPs for achieving the SDGs. Also, the Steering Committee on Education for Sustainable Development, a subsidiary body of the Committee on Environmental Policy, had created a new workstream on education for entrepreneurship, employment and innovation, which offered significant potential for synergies.

54. The Committee on Urban Development, Housing and Land Management was already cooperating with the Working Party on PPPs in the context of its Smart Sustainable Cities initiative and had presented its UN4Ukrainian Cities project at the 2023 ECE PPP Forum in Athens.

55. The Steering Committee on Trade Capacity and Standards’ country studies on Regulatory and Procedural Barriers to Trade were discussing inter alia how to reduce barriers to export diversification. Given that diversifying the economy is also a key goal of innovation policy, there was scope for synergies. Plans were under way for a study on Turkmenistan which could be done in parallel with an I4SDR. The country studies were also discussing how to improve trade-related infrastructure, and there was scope for incorporating a role for PPPs into this. The Steering Committee was also embarking on work on regulatory and standardization policies for digital innovations, where synergies could be explored.

56. UN/CEFACT was developing standards and recommendations in close partnership between public and private sector actors. UN/CEFACT saw scope for cooperating with the Committee on building capacity in programme countries to implement these standards. For instance, its Team of Specialists on Environmental, Social and Governance Traceability of Sustainable Value Chains in the Circular Economy had developed an innovative blockchain system for tracing textiles along the value chain as a pre-condition for making value chains sustainable.

57. The Circular STEP network, launched at the 2022 Regional Forum for Sustainable Development for the ECE Region to support transition economies in the circular economy transition, was drawing inter alia on the Committee’s work on innovation-enhancing public procurement, waste management, small and medium enterprises, and infrastructure financing.

#### **Decision 2023 - 6**

The Committee reaffirmed the benefits of cooperation and coordination with other ECE bodies and international organizations, including on the circular economy transition with the Steering Committee on Trade Capacity and Standards and the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), on digital and green transformations for sustainable development in the ECE region with several other sectoral committees, on capacity-building with the UN Inter-agency Task Team on Science, Technology and Innovation for Sustainable Development, and on national and sub-regional innovation policy assessments with the Organisation for Economic Co-operation and Development and the World Intellectual Property Organization.

The Committee invited its bureau and the secretariat to respond to the recommendations of the OIOS evaluation, and to continue to explore additional opportunities for collaboration



with other ECE bodies and international organizations in implementing the 2030 Agenda for Sustainable Development.

### **Item 7. Other business**

#### **Decision 2023 - 7**

The Committee agreed that its seventeenth session would take place in Geneva on 22-24 May 2024, subject to confirmation of room availability and interpretation services.

### **Item 8. Adoption of the report**

#### **Decision 2023 - 8**

The Committee invited the secretariat to prepare a draft report and distribute it to the Geneva Permanent Missions for subsequent approval by silence procedure in accordance with paragraph 21 of Appendix III of document E/ECE/1464 (Guidelines on procedures and practices for ECE bodies). Once the report is adopted, it will be published in English, French and Russian.

## Annex I

### Chairperson’s summary of the international policy dialogue on “Digital and green transformations – The role of innovation and public-private partnerships” (Agenda item 3)

1. At its seventieth session in April 2023, the Economic Commission for Europe had called on its subsidiary bodies, including the Committee on Innovation, Competitiveness and PPPs, to work on digital and green transformations for sustainable development. The international policy dialogue on the role of innovation and PPPs in digital and green transformations responded to this call. The results will inform the Committee’s work on policy recommendations, guidelines and standards, policy analyses, project assessments and capacity-building in the coming years.<sup>6</sup> This work will also build on the positive experience with the Committee’s work since 2021 on the circular economy transition following a decision of the Economic Commission for Europe at its sixty-ninth session.

#### I. High-level Panel

2. The high-level panel introduced the topic and set out the roles of innovation and PPPs, as well as the ways in which innovation and PPPs can complement each other in the pursuit of the green and digital transformations.

3. Panellists agreed that a green transformation was urgently needed to address challenges such as energy sustainability, climate change, or plastics pollution. However, the economic and social dimensions of the Sustainable Development Agenda must not be ignored, and we need a transformation that not only saves the planet, but also creates new economic opportunities, for all.

4. Digital technologies offer the potential for managing resources better and moving towards a circular economy by filling information gaps, reducing transaction costs, increasing efficiency, and making new forms of economic activity viable.

5. However, not all digital technology applications are “green”. Many current digital technologies and the business models built on them have a sizeable environmental footprint. As the digital transformation accelerates, “greening” the digital economy therefore becomes increasingly important.

6. Digital and green transformations will require transformative innovation, i.e. innovations in different fields that cumulatively transform entire socio-economic systems, such as transport and mobility, the built environment, energy, or the circular economy.

7. Governments have a key role to play in providing directionality to private sector innovation efforts, through mission-oriented innovation policies, and through regulations that align private sector incentives with societal goals and create markets for green products and services. The Committee’s normative work on innovation-enhancing public procurement could be an important tool to support Governments in creating market demand.

8. Implementing innovation policies for green and digital transformations is challenging, as the pace of digital innovation keeps increasing. Public policy and governance mechanisms need to keep up, not least to address concerns about security and privacy in the digital sphere without stifling innovation efforts. Regulatory testbeds and sandboxes were recommended as ways to experiment with new policies, to fail fast, and to scale up successes. ETIN could make a very useful contribution to policy learning on innovation for green and digital transformations.

9. Digital and green transformations will also require massive investments into infrastructure. PPPs will be critical to bring the private sector’s financial resources and

<sup>6</sup> The programme of the policy dialogue is available at: <https://unece.org/sites/default/files/2023-05/Policy%20Dialogue%20CICPPP%2030%20May%202023%20PDF.pdf>

technological expertise to this effort. Digital technologies can enhance the delivery, performance and sustainability of PPP projects in support of the SDGs by improving efficiency and reducing costs. Digital platforms such as SOURCE can also improve the capacity of Governments to negotiate with the private sector by creating a common ground of knowledge and align priorities. Concerning the green transformation of PPPs, panellists identified opportunities at each stage of the process, especially at the design, procurement and construction stages. They also highlighted the role of policy in ensuring that PPPs are transparent, accountable and inclusive.

10. Among the barriers that hinder the effective use of digital technologies in PPPs are a lack of infrastructure, skills, data, regulation, financing, and data privacy. One of the main challenges of greening infrastructure is that its benefits accrue in the long term, whereas the costs accrue upfront. These challenges could be overcome by investing in digital infrastructure and skills development, developing clear and consistent regulatory frameworks and incentives, mobilising green finance and innovative funding mechanisms, and conducting thorough cost-benefit analyses over project life times. The Committee's normative work on PPPs for the SDGs could provide important guidance on implementing these solutions.

11. Last not least, the Committee could play an important role in strengthening complementarities between PPPs and innovation in driving the twin transformations. One of the most important partnerships between public and private sector is that between science and business in performing research and development and creating the knowledge base for innovation. PPPs can also be a vehicle for innovation-enhancing public procurement, and can provide a platform for co-creating and co-delivering innovative solutions that align with the SDGs and leverage the potential of digital technologies.

## **II. Implementing ECE PPPs for the SDGs guidelines to promote the circular economy in countries**

12. The second panel explored how three core ECE policy documents could be effectively implemented to promote the circular economy in countries: (a) Policy Paper on Mobilizing Financing for the Circular Economy; (b) Guidelines on Promoting Circular Economy in Public-Private Partnerships for the United Nations Sustainable Development Goals (ECE/CECI/WP/2022/4); and (c) Guidelines on Public-Private Partnerships for the Sustainable Development Goals in Waste-to-Energy Projects for Non-Recyclable Waste: Pathways towards a Circular Economy (ECE/CECI/WP/PPP/2022/3).

13. Panellists argued that implementing these documents would accelerate the transition to a circular economy and contribute to the SDGs. Greece and Tajikistan were implementing several concrete steps to move towards a circular economy in the context of these three documents. The benefits of adopting a circular economy approach in public procurement and PPPs include reducing waste, saving resources, creating value, generating jobs and enhancing resilience.

14. Implementing the above documents will require political leadership and commitment to create robust legal and regulatory frameworks. Stakeholder engagement and collaboration will be essential in mainstreaming circularity principles into public procurement and PPP policies and practices. The Committee would be well-placed to support capacity-building and experience sharing between countries on how best to do this. Panellists also emphasised

the need for innovative financial tools and risk sharing mechanisms for circular projects, including results-based financing and blended finance mechanisms.

15. Some of the challenges include lack of knowledge and skills, institutional fragmentation and coordination gaps, legal and regulatory barriers, market failures and distortions, and financial constraints.

### **III. PPPs in digital infrastructure: telemedicine and other digital public services**

16. The third panel considered how the digitalisation of public services can accelerate sustainable and cost-effective solutions in PPPs. The panel focused on the example of using Artificial Intelligence (AI), digital wearables, robotisation, virtual reality and, in the future, the metaverse in telemedicine.

17. Telemedicine benefits both patients and providers in terms of convenience and access, affordability and reducing costs, quality, efficiency and effectiveness. Telemedicine also contributes to health and disease prevention through more efficient and accurate diagnosis and can optimise care delivery through data analytics. In addition, telemedicine can support the green transformation by increasing transparency and traceability and by reducing paper use, carbon emissions from healthcare facilities, and waste generation from medical supplies.

18. As part of ECE's ongoing effort of collecting case studies on PPPs for the SDGs, the panel showcased several examples of PPP projects that use telemedicine to deliver health services in different contexts. Among the factors that contributed to the success of these projects were a clear definition of legal and regulatory frameworks, robust infrastructure, incentives for the private sector, ensuring replicability and sustainability, successful cost management, performance-based contracts, user-centred design, data protection, quality assurance, and stakeholder engagement.

19. Among the challenges and risks that affect the implementation and scalability of PPPs in telemedicine and other digital public services are a lack of ICT infrastructure, lack of trust, regulatory gaps and different regulations between countries, lack of investment, data privacy, ethical dilemmas, the digital divide, and sustainability issues. The Committee could contribute to addressing these challenges by developing legal and ethical frameworks and standards, building capacity, ensuring affordability and accessibility, and strengthening governance and accountability.

### **IV. The role of innovation policy in driving the twin transformations**

20. The fourth panel discussed how public policy can create favourable conditions for accelerating innovations that drive the twin transformations.

21. Panellists shared examples of innovations in digitally enabled products, services and business models that can drive the green transformation. For instance, inter-connected smart devices and big data analytics can save resources and reduce climate gas emissions by helping governments, firms and citizens to manage infrastructures, factories, farms, and household appliances more efficiently. Digital platforms can help decarbonize energy or drive the circular economy transition by more efficiently matching supply of renewable energy with demand, or buyers of used goods with businesses that repair or repurpose them.

22. Cities can be important proving grounds for innovative digital solutions that advance the green transformation. Cities can act as "living labs" where innovative solutions can be developed and scaled rapidly. There may be opportunities for the Committee to explore synergies with ECE's work on smart sustainable cities and urban development.

23. However, the expansion of the digital economy itself risks putting additional pressures on the environment and natural resources, as some digital technologies are energy-intensive, others depend on rare critical raw materials, and yet others generate rapidly growing amounts of electronic waste. Innovation policy therefore needs to also create incentives for greening the digital economy, an issue that the Committee could consider taking up. Panellists cited

blockchain technology as a case in point. It can be used to trace materials and products along international value chains and thus make them more sustainable. Yet blockchain technology as it is used today has a very large environmental footprint itself.

24. Regulation, such as minimum performance standards for energy efficiency or climate gas emissions, are critical for creating markets for digital and green innovations. At the same time, inappropriate regulations, such as subsidies for unsustainable energy can also discourage innovation.

25. Panellists shared examples of how to create the right enabling conditions for effective innovation eco-systems to emerge that connect science, entrepreneurs, large companies and finance providers such as venture capital funds. Initiatives such as the SPECA Network of business incubators and accelerators could play an important role in building national capacity in this regard.

26. To create truly transformative impacts, Governments need to coordinate innovation policy better across all relevant portfolios. Even in the most advanced countries, innovation policy making is still too often held back by a silo mentality, where green policies are often outdated and do not take into account the potential of digitalization, and digitalization initiatives do not integrate green economy aspects, a challenge that the Committee could take up through ETIN.

27. The twin transformations provide a big opportunity not just for developed but also for emerging economies. To seize this opportunity, Governments need to take strong policy action urgently, including on strengthening science, technology and innovation capabilities and aligning industrial and innovation strategies with sustainable development priorities. There is scope for international cooperation in facilitating access to technology and knowledge in this regard. The Committee could contribute to this effort by incorporating the topic of green and digital transformations into its policy analyses and capacity-building programmes at national and sub-regional levels.

## V. Conclusion

28. The international policy dialogue proved that the expertise which the Committee has accumulated under both its main workstreams, innovation and PPPs for the SDGs, is highly relevant for supporting the green and digital transformations in the ECE region. The dialogue also confirmed that there is a significant need in the region for additional inter-governmental work in this area. The Committee is well-placed to contribute to this, and the policy dialogue was an excellent starting point. In particular, the Committee will be able to support member States through (1) its normative work on good policy practices, voluntary standards, guides and principles, (2) its analytical work on assessing innovation policies and governance and PPP projects, and (3) its capacity-building programmes.

## Annex II

### Intersessional Implementation Plan for 2023-2024

#### I. Introduction

1. The present document is based on the programme of work of the Committee for 2023 (ECE/CECI/2022/5). It provides additional information on activities planned and proposed for the period between the sixteenth and seventeenth sessions of the Committee. The document presents activities grouped by the main thematic areas covered by the Committee, that is, Innovation and Competitiveness, and Public-Private Partnerships.

2. The plans and proposals reflect demand expressed by member States as well as the resources available to the secretariat.

#### II. Innovation and Competitiveness Policies

3. The work on innovation and competitiveness focuses on promoting a policy environment supportive of innovative development and knowledge-based competitiveness in support of the UN 2030 Agenda on Sustainable Development. Activities include policy dialogue, policy recommendations and good practices, analytical reviews, and capacity-building events at national and sub-regional levels.

##### *International policy dialogue and development of good policy practice*

4. The fifteenth session of TOS-ICP will be held in Geneva on 23 and 24 November 2023. As part of the session, an international policy conference will provide an opportunity for experts from across the ECE region to exchange experiences on innovation policy. The Bureau of the Team will decide on the specific topic in consultation with the Team members. A policy document synthesizing international good practice on the topic will be submitted to the seventeenth session of the Committee for adoption.

5. The 2023 session of the Working Group on Innovation and Technology for Sustainable Development of the UN Special Programme for the Economies of Central Asia (SPECA) will be organized together with ESCAP in Uzbekistan in the fourth quarter of 2023. A policy conference will be organised back-to-back with the session.

##### *National and subregional policy analysis and recommendations*

###### *Innovation for Sustainable Development Review (I4SDRs)*

6. The I4SDRs of Armenia and Ukraine will be completed. Azerbaijan and Turkmenistan have requested ECE to carry out I4SDRs. These requests may be met subject to available funding.

###### *Innovation Policy Outlook (IPO)*

7. Work may begin in 2023 on an IPO for Central Asia, with Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan as beneficiaries, subject to available funding.

##### *Capacity- building*

8. Regular policy dialogue meetings of the network of IPO national focal points will continue to be organized to exchange good policy practices and build government capacity to implement policy recommendations from the Outlook.

9. A policy handbook on New Innovation Policy for the Transition Economies of Central Asia will be finalised.

10. In follow-up to the national I4SDR of Uzbekistan, the Government of Uzbekistan has requested follow-up capacity-building to help implement the recommendations of the Review, highlighting a particular interest in the topic of innovation for the green and circular

transition. ECE staff and experts will offer capacity-building support throughout the rest of 2023.

11. Further capacity-building activities to support implementation of recommendations from existing policy analyses at the national level may be undertaken upon request and subject to available resources.

12. Under the SPECA Working Group on Innovation and Technology for Sustainable Development, ECE will continue to implement sub-regional capacity-building activities with funding from the UN Development Account project “Strengthening innovation policies for SPECA countries in support of the 2030 Agenda for Sustainable Development”. Based on strong interest from the SPECA participating countries, study tours, policy dialogues and trainings will continue to be organized under the SPECA Network of Business Incubators and Accelerators for Sustainable Development. These activities aim to strengthen the capacity of policymakers, entrepreneurs, educators and business support institutions to promote innovative entrepreneurship in line with the 2030 Agenda.

13. ECE will continue contributing to the capacity-building workstream of the UN Inter-agency Task Team on Science, Technology and Innovation for Sustainable Development as appropriate.

14. Building on the Committee’s existing work on innovation for the circular economy and on innovation-enhancing procurement, and in cooperation with ECE’s Trade subprogramme, the secretariat may support selected member States on request in developing road maps or action plans for the circular economy transition in selected relevant fields.

15. Work on developing international good practice on transformative innovation policy and on building the capacity of national innovation agencies on this topic will continue under the auspices of ETIN launched at the 2022 session of the TOS-ICP.

### **III. Public-Private Partnerships**

16. The focus of the work on PPPs is supporting ECE member States' use of PPPs to address a range of issues in the context of relevant cross-cutting Commission themes, sustainable economic recovery and reconstruction, corruption in PPPs, pandemic preparedness and response, food security, women's empowerment, and accelerating achievement of the SDGs in the ECE region. The ECE Guiding Principles on PPPs for the SDGs provide the normative basis for the work on PPPs.

#### *International policy dialogue*

17. The seventh session of the Working Party on PPPs will be held in Geneva on 30 November and 1 December 2023.

18. The eighth edition of the International PPP Forum will be organised by ECE in May 2024.

#### *Standards, recommendations, guidelines and best practices*

19. The work on standards and practical guides on green and sustainable PPP procurement; digital transformation in PPPs for sustainable development; sustainable finance; and economic recovery and reconstructions that was launched in early 2023, will continue to be developed throughout 2023 and in 2024 based on existing resources.<sup>7</sup>

20. The standard on PPP/Concession Legal Framework in support of the SDGs and its commentary/accompanying guide will be published as a ECE publication in 2023.

<sup>7</sup> Decision 2022 – 5.2(3) by the Working Party on PPPs at its sixth session in December 2022 (ECE/CECI/WP/PPP/2022/2).

21. The initiation of work on new topics for future standards and practical guides agreed by the Working Party on PPPs at its last session will be prioritised by the Working Party at its next session, on the recommendation of its Bureau.<sup>8</sup>

***Capacity-building***

22. Capacity-building projects<sup>9</sup> to promote effective partnerships between the public and the private sectors through PPPs for the SDGs will continue to be implemented in 2023 and 2024.

23. Support will be provided to requesting Governments in self-assessing PPP and infrastructure projects using PIERS.

24. The campaign to reach 500 PPPs for the SDGs case studies will continue to be promoted, and additional case studies will be collected and presented at the eight International PPP Forum in May 2024.

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<sup>8</sup> Decision 2022 – 5.2(2) by the Working Party on PPPs at its sixth session in December 2022. The 12 topics for new policy documents approved by the Working Party on PPPs are included in Annex II of document [ECE/CECI/WP/PPP/2022/2](#).

<sup>9</sup> Projects funded by the UN Development Account and/or from extrabudgetary resources approved by the ECE Executive Committee.