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Second session
Geneva, 20–22 January 2010

Report of the Multi-year Expert Meeting on Enterprise Development Policies and Capacity-building in Science, Technology and Innovation (STI) on its second session

Held at the Palais des Nations, Geneva, from 20 to 22 January 2010

I. Chair's summary

1. The opening session of the second Multi-year Expert Meeting on Enterprise Development Policies and Capacity-building in Science, Technology and Innovation (STI) discussed the key elements of policy frameworks for entrepreneurship and STI. It was opened by the Chair of the previous session of the multi-year expert meeting, Mr. Miguel Angel Alcaine Castro (El Salvador). He pointed out the importance of entrepreneurship and innovation as key elements for economic growth and poverty reduction, and in achieving the objectives of the Millennium Development Goals. In his opening remarks, the Secretary-General of UNCTAD, Dr. Supachai Panitchpakdi, pointed out that, building on the results of the previous year's discussions, the second meeting of the multi-year expert meeting would focus on how to design, monitor and assess entrepreneurship and STI policies that could support and drive economic development strategies. He also reminded participants that economies were just starting to recover from the financial and economic crisis, and that employment recovery was a critical area, which was at the top of governments' agendas. Therefore, the actionable outcomes of the meeting should advise governments on how to formulate forward-looking policies to enhance enterprise competitiveness and resume job creation in the post-crisis world.

2. Launching the discussion on entrepreneurship development policies, an expert pointed out that there was no perfect framework. Entrepreneurship policies could vary widely from one country to another, since each country was unique in terms of economic and social realities, tools available and specific policy goals. Therefore, policies needed to be clearly targeted and context needed to be specific. Policymakers needed to operate in a complex ecosystem, taking into consideration the role and interaction of stakeholders from the private sector, academia, financial institutions and research centers. Policies should also

follow three main criteria: they should (a) be coherent, consistent and comprehensive; (b) make a difference in the business climate and culture; and (c) actively promote and support entrepreneurs.

3. Experts emphasized the need to carefully evaluate support programmes and share lessons learned on what effectively worked and what did not. They recommended choosing indicators that were relevant and reflected the quality of entrepreneurship performance, as much as quantitative aspects. In particular, a small number of indicators that were clear and relevant should be selected, rather than indicators that were easily measurable but not appropriate. In that respect, experts suggested to carefully look at already-existing sets of entrepreneurship indicators, such as those elaborated by the Organization for Economic Cooperation and Development (OECD), to adapt it to the reality of developing countries, and to collect data in coordination with national statistics institutions. Data collection should be sustained over time in order to obtain data series for national and international benchmarking. The importance of benchmarks was stressed by a number of experts as a tool to improve the effectiveness of policies.

4. It was also observed that many developing countries faced particular challenges such as the prevalence of micro-enterprises, “necessity/survival” versus “opportunity” entrepreneurs and the large size of the informal sector. However, all types of entrepreneurs were considered important for economic development: highly dynamic, opportunity entrepreneurs were important for their immediate impact on economic growth, while necessity entrepreneurs were important for their impact on job creation. Therefore, they should both be supported with appropriate tools. There were a number of lessons to be learned from existing entrepreneurship policies or programmes that were useful to gain a better understanding of “exemplary practices” and of how to replicate them. Among the most important, it was recommended that particular attention be paid to the following issues: (a) the general enabling environment for entrepreneurship; (b) an awareness of the importance of entrepreneurship, policies and network-building; (c) entrepreneurship, education and skills; (d) research and development (R&D), technology commercialization and extension services; (e) financial support for firm foundation and growth; and (f) the regulatory framework. Against this background, the need to create an inventory of exemplary practices was highlighted. Such an inventory would play three functions: (a) provide a clearing house connecting experts; (b) act as a global resource of comprehensive information on government and non-government programmes on entrepreneurship and innovations; and (c) serve as a tool to identify and compare policies to promote entrepreneurship and innovation. It would also serve as a basis for developing a policy toolkit to assist decision-makers in designing, promotion and assessing the impact of entrepreneurship policies. With regards to the creation of a database, it was pointed out that in order to be included in the database and defined as an exemplary practice, policies would have to show a real impact in areas such as innovativeness, replicability, sustainability and socio-economic impact.

5. Turning to the question of the policy frameworks for STI, one expert discussed some key developments in thinking on STI policy frameworks over the past 40 years and the implications for STI analysis, statistics and policymaking today. He underlined that both innovation and entrepreneurship were very important in developing countries, and noted that there had been a shift in the thinking about the role of STI in economic development and that more emphasis was being placed on innovation and less on traditional industrial research and development. He noted the growing dimension of “collaborative innovation” and “knowledge-sharing” across borders, which had shifted focus from pure research into the broader organizational, economic and social aspects; this could in part explain the increasing reference to innovation rather than R&D.

6. Experts also explained that, while STI was important to all countries, the policy needs of countries differed according to their level of economic development. Thus, for industrialized countries, the policy challenge was focused on sustaining dynamism; for newly industrializing countries, it was incubating potential winners; and for less developed countries, it was organizing the local knowledge systems. The framework of the National System of Innovation was useful for developing countries in that it brought to the forefront the central role of the State as coordinator and explicitly recognized the need for coherent policies and institutional linkages.

7. It was pointed out that innovation of all kinds could be significant for economic activity in developing countries, including those not based on formal R&D (such as some activities in the creative industries). There were enormous opportunities for demand-led innovation in those countries because of the large unmet needs of their societies, in particular the needs of lower-income people, which meant that there was a strong need for innovation to meet those needs. The challenges were in determining what types of policies worked best in developing countries and how to build strong STI capabilities and systems of innovation. Those required that evidence be collected in both developed and developing countries and that appropriate indicators be developed that would measure what was most important and relevant for them. It was further pointed out that specified percentages of gross domestic product to R&D investment was an oddity in terms of policy target and the qualitative results were a much more important question.

8. Another point noted was the need for comparable quantitative measure of STI indicators that would take into account the evolving role of STI in development. Indicators were needed to help countries make informed decisions and tailor relevant STI policies that helped upgrade their technological capabilities. Focusing on measuring S&T inputs was not sufficient to capture innovation in all its aspects.

9. The question of measuring innovation was also addressed in the discussion. The challenge was in capturing the qualitative in addition to the current quantitative aspects, for instance, (a) in-depth measurement of performance; (b) the skills and abilities of graduates rather than just number of years in school; and (c) STI activities, rather than just stocks and flows. The importance of the informal sector in many developing countries should not be overlooked, although the capture of statistical data on this sector was instrumentally difficult, even if relevant to measurement of innovation. Of particular interest to developing countries would be pro-poor technologies and the opportunities for greater innovation through instruments such as micro-finance and innovation networks. Better and more accessible data on innovation would help guide policymakers in building an ecosystem of knowledge development and innovation advancement.

10. In order to gain a better understanding of “exemplary practices” of entrepreneurship policies and of how to replicate them, experts recommended particular attention to the following issues:

(a) Overcoming the “fear of failure”: The need to develop a positive entrepreneurial culture was stressed. Such a culture needed to embody positive entrepreneurial attitudes and confidence, and allow individuals to overcome the fear of failure. One expert noted that being an entrepreneur was not about taking risks, but rather involved managing risks. The representative from Empretec Uganda highlighted that, aside from finance, one of the most significant obstacles preventing individuals from engaging in entrepreneurship was their mindset, which could be changed through appropriate training and confidence-building. The importance of addressing failures was stressed as an important angle of lessons learned in entrepreneurship promotion. Bankruptcy laws and capital limitations played a key role in lowering risk and for the former, reducing the consequences of failure;

(b) Awareness and network-building: It was noted that entrepreneurship was a process driven by entrepreneurial individuals and teams; thus, people and networks were key elements for catalyzing entrepreneurship. In relation to entrepreneurship policies, a growing scope of mutual learning from each other was noted. Several entrepreneurship promotion activities and programmes were highlighted, such as the Global Entrepreneurship Week initiative, which fostered entrepreneurship awareness activities in more than 90 countries. Many heads of State supported the initiative;

(c) Access to finance: Policies measures sought seek to increase access to finance could include facilitation of access to loans, credit guarantees and equity. It was important to focus on startup and early stage financing. One expert argued that governments could not entirely rely on the market to fund good ideas, given the imperfection of early stage markets. He referred also to the “valley of death”, arguing that many good ideas ended up being dead ideas because there were insufficient resources to develop them. Other experts emphasized the need to encourage creative and alternate sources of finance, and recommended operating through partnerships with the private sector. Reforms of financial institutions, microfinancing and microinsurance could also facilitate startup financing;

(d) Business linkages: It was considered essential to address how globalization could tap into the local appetite for entrepreneurship. Many entrepreneurs and particularly small and medium-sized enterprises (SMEs) were excluded from the value that was provided by being connected to the global network and global supply chains. The representative from SabMiller provided a tangible example of how it possible to foster business linkages with domestic SMEs to develop the local supply network;

(e) Entrepreneurship education and skills: Entrepreneurship education and training was considered a key element in any entrepreneurship policy framework. It allowed entrepreneurs to develop the necessary behavioural competencies and technical skills required to start up and sustain a growing business. A need for a stronger involvement of universities to foster entrepreneurship was noted. The benefits of UNCTAD’s Empretec programme were described through the positive examples of Jordan, Uganda and Chile. The value of mentorship programmes was highlighted, particularly those aimed at youth. An inspiring youth testimony was delivered by IJB Real Estate company, run by a young Ugandan woman entrepreneur, who demonstrated both the individual entrepreneurial mindset and the benefit of public finance (in this case the support of Empretec);

(f) Women entrepreneurship: It was noted that there was a need for a substantive focus on women and programmes aimed specifically at addressing the obstacles that women entrepreneurs faced. For example, the representative from the Business Development Center in Jordan addressed the importance of unleashing the relatively untapped potential of women and spoke of initiatives to empower women through mentoring and women leadership programmes, among others. Public seed programmes also facilitated access to capital for aspiring women entrepreneurs;

(g) R&D and start-ups: Seed, start-up and early stage financing remained a major challenge that many entrepreneurs faced. Policy actions that sought to increase access to finance could include government loans, credit guarantees and equity, as well as partnerships and incentives to private sector players to extend finance to start-ups. For example, a number of countries had set up government-supported venture capital funds that had attracted private sector participation specifically to finance start-ups and their growth in a given field, created special entrepreneurship funds and could reduce the cost of lending to start-ups. Experts pointed out that a number of countries had increased their expenditures in R&D and there were many more players, including from the developing world, such as China, India, and Brazil. They also noted that enterprises were increasingly the locus of innovation but public R&D was also important. Besides financing, innovative start-ups

with good ideas needed to acquire and assemble the skills to be linked to the capital and know-how in the markets. Finally, experts reiterated the importance of science-based, innovative entrepreneurs for stimulating economic growth, and presented the case of incubators and partnerships with entrepreneurs in developing countries;

(h) Regulatory environment: It was noted that establishing an enabling regulatory environment for entrepreneurship required a high level commitment to have all elements of entrepreneurship policy framework in place, as well as proper governance and coordination between the agencies. Entrepreneurship-friendly policies should seek to reduce administrative burdens related to company formation and failure. Governments should encourage entrepreneurship through reward systems and competitive awards. They should also ensure that the incentives stemming from labour, taxation and commercial laws are conducive, rather than obstructive, to entrepreneurship. One expert stressed the importance of strengthening property rights in least developing countries and facilitating the access to land for youths and women. Accordingly, another expert noted that a good way to focus a policy was to first ask where the obstacles that prevent or interfere with entrepreneurship were located. Fostering a conducive regulatory environment required the ability of the public sector to intervene, facilitate and, equally important, disengage;

(i) Intellectual property: Experts expressed concern that policies should not only be aimed at promoting entrepreneurship, but also at protecting local innovation. It was also noted that, while difficult, there was a need to make intellectual property systems simpler and cheaper. In response, a representative from the World Intellectual Property Organization (WIPO) noted that most developing countries had intellectual property systems in place, but lacked the local skills and know-how to use intellectual property as a tool to create value from R&D results and innovations in all the economic sectors. To address the above-mentioned challenges, there was a need for developing countries to set up national intellectual property and innovation strategies. With that aim, WIPO developed capacity-building programmes and was providing technical assistance to support its member States.

11. The third session focused on the work of international organizations and initiatives in the area of indicators for the measurement of entrepreneurship in developing countries. An expert from the Global Entrepreneurship Monitor (GEM) emphasized the importance of harmonizing data in that area to enable inter-country comparison and evaluate the impact of entrepreneurship on development. The importance of such data being complementary to official statistics collected by national statistics offices was highlighted. For example, official statistics captured formal sector company registration, whereas GEM incorporated informal entrepreneurial activity through surveys. That may also help policymakers to identify key areas of intervention. For example, in Argentina, GEM had identified a lack of public appreciation of entrepreneurship. As a result of targeted awareness-raising, three quarters of respondents perceived high status for successful entrepreneurs. The issue of how to ensure data quality and country comparability was raised by several participants. The importance of measuring the impact of failures on entrepreneurship was noted.

12. An expert from OECD emphasized the importance of collaboration between civil society organizations, national statistics offices and international organizations for the cost-effective collection of reliable, comparable data on entrepreneurship, especially if such data were to be collected for non-OECD groups of countries. It was noted that, whereas firm birth and death rates were largely similar across countries, a small percentage of high-growth firms contributed disproportionately to net job creation in all countries. The urgency of ensuring the timeliness of high-quality data was underlined, particularly in light of the recent economic crisis. For example, the availability of quality data could be improved through closer collaboration with chambers of commerce, business associations and banks. A number of experts expressed concerns regarding the indiscriminate use of the term

“venture capital”, and urged participants to distinguish different types of start-up capital carefully.

13. An expert from the World Bank’s “Doing Business” project emphasized the importance of evaluating a country’s regulatory environment. Unlike other initiatives, “Doing Business” looked at national regulations from the perspective of a small formal business and measured the number of procedures and time required to perform key actions in the business life cycle. This case study approach enabled data comparability and benchmarking between countries. The impact of the recent economic crisis in bringing to the fore the importance of the regulatory environment for closing a business and reallocating resources was highlighted. It was argued that the impact of benchmarking of countries was both powerful and controversial. On the one hand, it served as a catalyst to start a discussion within countries; on the other hand, it facilitated peer-learning effects by helping countries to identify others in comparable situations. The importance of differentiating between regions within a country, as well as between countries, was noted. In relation to the impact of the project, it was stated that it had led to 1,200 reforms in doing business in different countries since 2004.

14. Experts discussed the practical relevance of entrepreneurship indicators for agencies and civil society organizations engaged in entrepreneurship promotion on the ground. There was agreement on the usefulness of indicators in highlighting key challenges, focusing attention on priority areas for intervention, and in avoiding “reinventing the wheel” with each programme. The critical importance of capturing the local and institutional context was emphasized. One expert highlighted the challenge of balancing local relevance and global comparability in data collection. For example, while all entrepreneurs in a given country may perceive the availability of a certain kind of infrastructure as poor, this would affect firms differently in different industries. Another concern was the relative importance of the agricultural, manufacturing, and service sectors in different countries, and the respective weight given to indicators appropriate for each. Experts agreed on the need for indicators to “nail down” key issues as guidance for policy.

15. One expert expressed concern regarding a brain drain of entrepreneurial talent from developing countries with poor measures of business environment. A partial response offered was that such entrepreneurs could be exposed to new ideas and approaches abroad and could serve as catalysts in their communities if they returned.

16. A dominant theme of discussion was a need to address the issue of the informal sector in developing countries. It was argued that the latter could be interpreted as latent potential. The needs to take into account the informal sector and develop strategies to engage it were emphasized.

17. Experts noted the importance of raising awareness of a role that entrepreneurship policies played in economic growth among policymakers and decision-makers. The issue was raised of how international organizations might best help countries to address these subjects. A representative of UNCTAD highlighted that the multi-year expert meetings themselves were an innovative forum to collect and disseminate good practices, which could be used as a basis for developing policy toolkits to assist member States in designing and implementing their national policies in this area.

18. The fourth session discussed STI policymaking and the use of indicators. The session took stock of the various existing sources of STI indicators at the national, regional and international levels. There was also some coverage of why STI capabilities were important for economic and social welfare, with wide acceptance that innovation was important for economic and social progress, which should give impetus to policymakers to take an interest in the subject in the first instance. There was a consensus among experts that STI indicators could be useful inputs into improving both analysis and policymaking in

the area of STI, although there were large shortcomings in the availability of indicators, in the adequacy of those that had been collected to date, and in their comparability between countries and regions. The gaps were much larger in developing countries, although they were not uniform and diverged widely among developing regions and countries. The conclusion was that much needed to be done to overcome those shortcomings by improving the collection of indicators, improving the indicators themselves or augmenting them with additional ones, making them more comparable and using them more fully for analysis, policymaking and monitoring of impact. There were a number of initiatives taking place to improve indicator collection, with some success. However, they remained both insufficient and not connected amongst them, and required additional support. Beyond this, even existing indicators were often not being used to the full extent possible by analysts and policymakers. They had not, therefore, been adequately leveraged as useful tools for analysis, designing STI policies and monitoring outcomes in the post-implementation stage. This was seen as disappointing in light of the experience of several countries that had used STI indicators and careful analysis to help design and refine policies that appeared to have been successful in improving their economic performance, thereby increasing their prosperity and social welfare.

19. The availability and quality of STI indicators have improved over time, and the actual number of innovation indicators has increased since the 1950s. Several experts made presentations on initiatives at the international level (by the UNESCO Institute for Statistics) and the regional and national levels in developing countries to collect STI indicators and help build national capacity for statistical collection that helped to increase the availability of those indicators. Africa, Asia and Latin America all had several ongoing initiatives for collecting indicators, with varying degrees of development between the various programmes. Existing indicators were not really comparable across countries, either within regions or internationally across regions, although the degree of comparability varied significantly. Experts noted that accessing the relevant data was not an easy task, with many constraints encountered at the national level by collection agencies and international institutions supporting them in their collection efforts. The need was expressed for further international collaboration and increased support for these initiatives by stakeholders, including international organizations.

20. STI indicators were currently more readily available in developed countries than in developing ones, with the European Union being particularly active in conducting innovation surveys. But the indicators themselves still did not measure accurately enough the amount of innovation, the different types of innovation or the actual impacts of those innovative activities. A major shortcoming was the excessive focus on innovation inputs in terms of R&D effort (expenditure on R&D in particular) and on outputs in terms of inventions (measured by the number of patents granted) even though the sources of innovation extended far beyond R&D, which was unlikely to be the main source of innovation for developing countries. It was widely agreed that innovation needed to be measured more accurately. Some limited, incremental progress had been made in more recent innovation surveys, but those surveys still faced major issues with respect to how innovation was defined, low response rates and poor data quality. Another major shortcoming was the focus on innovation in manufacturing activities without adequate attention to services or agriculture, the latter being particularly important for many developing countries. Measuring innovation in those sectors remained a big challenge. Experts argued that STI indicators should reflect the differences in conditions between developed and developing countries. A key issue was how to ensure that indicators retained (and improved) their comparability across countries, while also catering to different local conditions and being useful for policymakers in their specific circumstances. One expert noted that, to be most useful as a tool for pro-poor technology development, indicators should ideally be able to provide some measurement of STI in areas important for

addressing human deprivation and poverty. In addition, indicators would ideally be useful for analysis at the province and community levels in addition to the national level.

21. Apart from those important collection, comparability and measurement issues, a number of experts felt that the inadequate use of STI indicators by analysts and policymakers represented a critical problem that needed to be faced in many developing countries. Despite the significant shortcomings of existing indicators, it was generally agreed that, through careful analysis and interpretation of those indicators, they could still be valuable tools for policymaking. However, they were not currently fulfilling that purpose. This might in part be related to the lack of capacity in some countries for the type of analysis needed, but might also be due in some cases to the lack of understanding by policymakers of the crucial role played by technology and innovation in the development process. It was, however, argued that innovative companies performed better and paid higher wages, and that contributed to moving up the development ladder. It was also argued that the speed and willingness to act varied greatly between countries, with policy action taking considerable time in some cases while moving quickly in others. Experts argued that the experience of several fast-growing developing countries that had successfully and rapidly caught up with developed countries had demonstrated that a clear national strategy on STI – and adequate STI policies – based upon careful analysis could contribute to economic and social progress. One expert provided an illustration of how the Republic of Korea had used the analysis of national STI indicators to better understand the degree of innovativeness of specific industries. That type of analysis could be useful in providing a basis for national policy action to improve a country's innovation performance and monitor policy impact. To leverage fully the potential of STI indicators, there needed to be linkages between those collecting STI indicators, the STI analysts and policymakers.

22. Experts pointed out that the Frascati Manual and the Oslo Manual provided a useful guide to measuring STI. However, there was a need for developing countries to be able to use indicators that would both allow for international comparison and guide country-specific policy formulation. It was also pointed out that measuring the innovative process – including aspects such as human resources, linkages and efforts related to building these aspects – and its impact on areas such as productivity, export capacity and employment, would also be useful in mapping out entrepreneurial strategies as well as social development. At the international level, it would help towards greater understanding of the role of each country in the global innovation process.

23. A number of countries shared their national experiences in undertaking innovation surveys as well as in promoting innovation among their entrepreneurial class. An innovation survey in a resource-rich country, for instance, indicated that while it had attracted and retained innovation actors, diffusion level was relatively low because of lack of interaction and partnering bridges with local innovation actors. The experience of a “latecomer” country showed a different sequence of capability accumulation – i.e. “engineering to design to development to research” – different from traditional leaders’ “research to development to design to engineering”. To sustain technology acquisition in those countries as well as to guide countries wishing to follow this development path, STI indicators that reflected technology use and operation, technology acquisition and assimilation, technology upgrading and reverse engineering and finally R&D were needed. A region-wide undertaking – the African Science, Technology and Innovation Indicators Initiative – had limited its scope to the traditional indicators at its first survey even while national focal points were given the option of adding country-specific indicators. A special challenge was measuring innovation in the large and economically significant informal sector in the continent. Still another country which did not have an extensive databank nor had an innovation survey had managed to move forward in terms of technology partnerships and technology acquisitions.

24. It was suggested that innovation should be strongly encouraged at all levels through recognition, incentives and opportunities. In agriculture for instance, many new processes and practices sprang from end-users and were diffused through social contacts without due regard to origin or authorship. Students in both developed and developing countries should be challenged to come up with cost-effective solutions. In addition, innovative firms might be identified and fast-tracked in order to encourage other firms. Other issues that emerged in the discussion were the potential roles of state purchases as sources of innovation and of diaspora as innovation capital.

25. The present information gap should be taken as an opportunity for dialogue to exchange knowledge and experience rather than a barrier to cooperation and collaboration. Some of the suggested areas for further areas were core sets of indicators that could (a) be used selectively for different levels of analysis, i.e. at international, regional, national and sub-national levels; (b) widen conceptual framework to cover innovation impact and quality; (c) track systemic problems and bottlenecks, from infrastructure provision and investment availability to firm level challenges such as technology use, acquisition and assimilation, as well as design and engineering; (d) serve as sector-specific indicators, which could be collected through associations such as the Chamber of Commerce worldwide network to obtain more accurate and proactive response; and (e) measure output and private R&D. Future international collaboration in this area could include joint studies to upgrade STI indicators.

Key points of the discussion

26. Recognizing the importance of entrepreneurship and innovation as key elements for economic growth and poverty reduction, and in order to achieve the objectives of the Millennium Development Goals, experts noted that UNCTAD should continue creating an inventory of good practices on entrepreneurship policies based on six identified major components for a possible UNCTAD policy framework for entrepreneurship development. These six components include (a) the general enabling environment for entrepreneurship; (b) an awareness of the importance of entrepreneurship, policies and network building; (c) entrepreneurship, education and skills; (d) R&D, technology commercialization and extension services; (e) financial support for firm foundation and growth; and (f) the regulatory framework. Such an inventory would play three roles: (a) a knowledge-sharing platform connecting experts; (b) a global resource of comprehensive information on government and non-government programmes on entrepreneurship and innovations; and (c) a tool to benchmark programmes to promote entrepreneurship and innovation.

1. Core indicators

27. UNCTAD should continue developing a set of core indicators to assess the effectiveness of entrepreneurship policies, taking into account best practices and lessons learned from other relevant institutions and stakeholders. Such a set, together with the policy framework, will provide a policymaking tool for entrepreneurship development in developing countries and economies in transition.

28. UNCTAD should continue cooperating with relevant programmes or organizations promoting entrepreneurship such as the OECD, the Kaufmann Foundation, SEBRAE, Endeavor, Global Entrepreneurship Week and others.

2. Dissemination

29. To facilitate dissemination of best practices and knowledge-sharing, UNCTAD should create a database and a (low-cost) web-portal through e-forums, based on the good practices identified by experts and validated by impact assessment indicators. The

discussions among experts and the inputs provided by the expert group should be uploaded on a specific e-platform made available on UNCTAD's website.

3. Key role of innovation

30. Affirming the importance of STI as a major driver of knowledge-based economies and sustainable economic development, experts noted the value of developing coherent STI policies adapted to the realities and opportunities of developing countries, and encouraged UNCTAD to further develop its research and policy analysis on STI issues and serve as a forum for STI policy dialogue. Experts encouraged UNCTAD to continue to conduct reviews of national STI policies in developing countries.

31. Recognizing that the design, implementation and evaluation of STI policies must be based on sound, objective evidence, experts encouraged UNCTAD to promote the use of STI indicators in the design and evaluation of STI policies. Experts stressed that sound STI policies required relevant, appropriate STI indicators that were compatible with developing countries.

4. Cooperation

32. Noting that STI policy in developing countries could not rely on indicators directly taken from the experience of developed countries, and that policymakers needed to access and analyse STI indicators that reflected the economic and innovation features of developing countries, experts encouraged UNCTAD to cooperate with other international, regional and national organizations and initiatives to promote the development of relevant STI indicators based on which effective policy recommendations could be made.

5. Comparability and relevance

33. Recognizing the value that improved access of internationally comparable STI indicators would have for policymakers, academics, national statistical offices and the private sector, experts encouraged UNCTAD to continue exploring with other stakeholders the possibility of developing a common list of STI indicators adapted to the realities of developing and least developed countries.

6. Renewed efforts

34. Recognizing current needs to develop capacities to collect and analyse STI data, the experts encouraged UNCTAD to work, in collaboration with other international and regional organizations towards building capacities in developing countries, in particular LDCs, to collect and analyse STI data to assist policymakers in formulating development-oriented STI policies.

35. It was noted that improved innovation policies offered major opportunities to accelerate growth, reduce poverty, and improve health and welfare. Further work on interaction and best practices, therefore, had the potential of high and sustained returns.

II. Organizational matters

A. Election of officers

36. At its opening plenary meeting, the multi-year expert meeting elected the following officers:

Chair: Mr. Charles Wessner (United States of America)
Vice-Chair-cum-Rapporteur: Mr. Anas Alami Hamedane (Morocco)

B. Adoption of the agenda and organization of work

37. At its opening plenary, the multi-year expert meeting adopted the provisional agenda for the session (contained in TD/B/C.II/MEM.1/5). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Enterprise development policies and capacity-building in science, technology and innovation
4. Adoption of the report of the meeting

C. Outcome of the session

38. At its closing plenary meeting, on Friday, 22 January 2010, the multi-year expert meeting agreed that the Chair should summarize the discussions (see chap. I).

D. Adoption of the report

39. Also at its closing plenary meeting, the multi-year expert meeting authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

Annex

Attendance*

1. Representatives of the following States members of UNCTAD attended the expert meeting:

| | |
|----------------------------|------------------------------------|
| Algeria | Malaysia |
| Angola | Mauritius |
| Argentina | Mexico |
| Bangladesh | Montenegro |
| Belarus | Morocco |
| Belgium | Mozambique |
| Benin | Namibia |
| Botswana | Nepal |
| Brazil | Nigeria |
| Cameroon | Oman |
| Chile | Pakistan |
| China | Peru |
| Colombia | Philippines |
| Congo | Poland |
| Côte d'Ivoire | Russian Federation |
| Cyprus | Saudi Arabia |
| Dominican Republic | Senegal |
| El Salvador | Slovakia |
| Ethiopia | Spain |
| France | Thailand |
| Georgia | Trinidad and Tobago |
| Ghana | Turkey |
| Greece | Uganda |
| Holy See | United Arab Emirates |
| Indonesia | United Republic of Tanzania |
| Iran (Islamic Republic of) | United States of America |
| Israel | Uruguay |
| Italy | Venezuela (Bolivarian Republic of) |
| Jamaica | Zambia |
| Jordan | Zimbabwe |
| Kenya | |

2. The following intergovernmental organizations were represented at the session:

Asian, Caribbean and Pacific Group of States
Commonwealth Secretariat
European Community
Organization for Economic Cooperation and Development

3. The following United Nations organizations were represented at the session:

Economic Commission for Europe
United Nations Economic Commission for Latin America and the Caribbean

* For the list of participants, see TD/B/C.II/MEM.1/Inf.2.

International Trade Centre (UNCTAD/WTO)
 United Nations Development Programme
 United Nations Environment Programme

4. The following specialized agencies or related organizations were represented at the session:

Food and Agriculture Organization of the United Nations
 International Telecommunication Union
 United Nations Industrial Development Organization
 World Bank
 World Intellectual Property Organization

5. The following non-governmental organizations were represented at the session:

General Category
 Ingénieurs du monde
 International Centre for Trade and Sustainable Development
 Third World Network

6. The following representatives of academies and the private sector were invited to the expert meeting:

Ms. Karen Wilson, Kauffman Foundation
 Mr. Luc Soete, Director, United Nations University, UNU-MERIT
 Mr. Déogratias Harorimana, Rwanda Development Board
 Mr. Thomas Andersson, Professor, Senior Advisor, and Chairman of the board, IKED, Sweden
 Mr. D.H. Swart, Director, What Works Strategy, South Africa
 Mr. Nir Ofek, CEO, Glocals
 Mr. Geoffroy Raymond, CEO, Tegona
 Mr. Hussein Al-Natsheh, Queen Rania Center for Entrepreneurship
 Mr. Chibamba Kanyama, SabMiller
 Mr. Jesus Martin Garcia, Ecllosion
 Ms. Marilise Saghbini, Global Entrepreneurship Week
 Ms. Amisha Miller, Monitoring and Evaluation Officer, Enterprise UK
 Mr. Tim Olalekan Williams, Commonwealth Secretariat
 Mr. Francesco Dalbo, Goa Corporation
 Mr. Jeff Skinner, Executive Director, Foundation for Entrepreneurial Management, London Business School
 Ms. Mariarosa Lunati, Coordinator, Entrepreneurship Indicators and Business Statistics, OECD Statistics Directorate
 Ms. Sylvia Solf, Programme Manager, Doing Business Project, World Bank Group
 Mr. Ignacio de la Vega, Professor of Entrepreneurship and Strategic Management, IE Business School in Madrid
 Mr. Fabio Tran, Endeavor, Brazil
 Mr. Juliano Seabra, Endeavor, Brazil
 Ms. Margaret Mokgethe, Local Enterprise Authority, Gaborone
 Mr. Ignacio del Arco, I2BC, Spain
 Mr. Carlos Roberto Cortés Martínez, CAFAM, Colombia
 Mr. Sunil Mani, Professor, Centre for Development Studies, India
 Mr. Sebastián Rovira, United Nations Economic Commission for Latin America and the Caribbean

Mr. Taeyoung Shin, Senior Research Fellow and ex-Vice President, Science and Technology Policy Institute, Republic of Korea

Mr. D.H. Swart, Director, What Works Strategy, South Africa

Ms. Diana Suarez, Centro Redes and Professor at Universidad Nacional de Quilmes, Argentina

Mr. Martin Schaaper, Programme Specialist, Science and Technology Statistics, UNESCO Institute of Statistics

Mr. Khaleefa S. Al-Mansouri, Director-ADAEP, Director – Strategy and Policy Planning, General Secretariat of Abu Dhabi Executive Council

Mr. Patarapong Intarakumnerd, College of Innovation Thammasat University, Thailand

Mr. Philippe Mawoko, Coordinator, African Science, Technology & Innovation Indicators (ASTII) Initiative, NEPAD Office of Science & Technology, South Africa (by videoconference)
