Investment, Enterprise and Development Commission
5th session

29 April - 3 May 2013
Geneva

Opening session, 29 April 2013

Remarks by

Anne Miroux
Director
Division on Technology and Logistics
UNCTAD

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Distinguished delegates,
Ladies and gentlemen,

It gives me great pleasure to present to you some aspects of the work of the secretariat in the area of science, technology and innovation (STI) that fall within the purview of this Commission. My intervention and will cover three distinct areas:

- The first one concerns some salient topics and trends in the area of STI policy for development.

- The second set of points I would like to bring to your attention this morning are related to two intergovernmental processes within the United Nations system in which STI represents a significant component: these are the post-2015 Millenium Development Goals (MDGs) agenda and the ECOSOC's Annual Ministerial Review (AMR).

- Finally, I will take a few moments to inform you about the preparations for the upcoming session of the United Nations Commission on Science and Technology for Development (CSTD), for the substantive servicing of which, as you know, UNCTAD is responsible.

Let me then begin by referring to some aspects of recent trends in the area of STI for development and how they relate to our substantive work. A great number of these trends, and their implications in STI and the role of policy are addressed by UNCTAD through our publications. (In this regard I would like to mention that just two weeks ago, at a seminar that my Division organized with professor Bengt-Åke Lundvall, one of the world's most renowned academics in the field of innovation and one of the intellectual fathers of the notion of innovation systems, was telling us how in his opinion the analysis and proposals made in the TIR put it among the very best publications that are available in this discipline worldwide).

I would like to highlight five important emerging trends:

1. ***The need for countries to adjust innovation policy to tighter budgets and the impact that this has caused in the STI policy and strategy.*** Many countries both developed and developing are still suffering the consequences of the global financial crisis of 2007-2008. The widespread adoption of fiscal consolidation measures are having a significant impact on the budgets allocated to the funding of research and development and supporting innovation-related programmes. Developing countries, in many of which for such activities were already very limited before the crisis, face an even more challenging situation.

   In this context there is a strong pressure to deliver "more with less", to get more social and economic value from public investments in R&D and therefore to *(1)* prioritize innovation-related funding towards programmes with a clear impact on growth and jobs (such as programmes focusing on human capital development and adaptation), often along sectoral or thematic lines, *(2)* strengthen collaborative linkages between research centres and enterprises and to support industrial and entrepreneurial innovation and *(3)* emphasize the value of monitoring and evaluation of innovation funding programmes, and improving coordination and inter-institutional collaboration.

   Of course, there are some important exceptions to the trends to more stringent budgets for STI, particularly in several developing economies with healthy growth performance. For example, China's "Innovation 2020" programme includes a strong commitment to encourage innovation, increase R&D expenditure (to 2.5 per cent of GDP by 2020) and make significant recruitment efforts in top research centres. Brazil's "Plano Maior Brazil" programme for 2011-2014 also places innovation at the core of its industrial development policy. The Republic of Korea, with its recent creation of the Institute of Basic Sciences and a reinforcement of programmes focusing on reinforcing technology-oriented small and medium-sized enterprises is another case of boosting STI investments. India (where 2010-2020 will be the "decade of innovation"), Russia and South Africa are also undertaking strong efforts to develop research activity and innovation capabilities.

2. ***The increased importance of inclusive innovation policies.*** This can take a variety of forms, but we see increasing interest in including in innovation policy a dimension that considers the needs of the "bottom of the pyramid", that broadens the scope of the technological problems to be addressed in order to include the challenges that limit the opportunities available to poor people. This emphasis on inclusive innovation, prioritizing "grass roots solutions" is visible for example in India's Five Year Plan for 2012-2017. In this trend towards greater inclusiveness, one should also note the growing consideration given to the gender issue in the design and implementation of innovation policies, an issue UNCTAD has addressed in its research in recent years.

3. ***The growing attention paid to "green innovation".*** This is another emerging trend, responding to the need for the whole international community to address the huge challenges of climate change and environmental issues.

4. ***The rise of developing countries as new players in the international STI scene.*** This particular trend is closely connected to the topic that we chose for our latest *Technology and Innovation Report*, namely South-South collaboration on technology and innovation.

   This trend holds a huge potential to foster innovation and technological development for many countries of the South. Technological solutions identified in developing countries may be more suitable to the specific needs of other developing countries and their innovation experiences are in any case highly relevant. Technological collaboration with other developing countries also widens the range of options available to public and private actors in countries of the South. In spite of these potential advantages, South-South and triangular technological cooperation remains limited to a relatively small number of countries, mainly because of missing technological capabilities in many developing countries, especially in the least developed countries, but not only there. Prioritizing the strengthening of technological and learning capabilities, adopting an "international framework on South–South technology and innovation", and the pooling of resources through a South–South innovation and technology pact to tackle in a coordinated way technological challenges that are faced by all developing countries are some responses that we suggest in our Report.

5. ***Information and communication technologies (ICTs) continue to be a major factor in shaping overall trends in technology and innovation.*** This is one of the reasons why our Division combines its work on the broad issues of technology and innovation with ICTs. Also in this area our flagship publication, the *Information Economy Report* (IER), has established itself over the last 12 years as a reliable source of data and analysis, identifying new trends and proposing an action-oriented agenda for developing country policy makers.

   Our recent work in this regard has concentrated on the contribution of the software industry to the overall development of ICTs and of innovative capabilities in in developing countries.

   The latest IER calls upon governments in developing countries to give more attention to domestic software production. Software is today embedded in an expanding range of goods and services. At the same time, new developments in the ICT landscape – such as the spread of mobile phones, improved broadband connectivity and greater reliance on free and open source software – are making it easier for programmers in low-income countries to generate an income from software projects. There is room for developing countries to make better use of their software potential. The Report suggests that governments should take an active part in fostering relevant capabilities and in strengthening their national software systems. In developing software strategies, they need to consult with

other actors, including the software industry, universities, software developer communities and with various users. Key policy areas include the development of affordable ICT infrastructure, skills development, the adoption of business and legal frameworks, and streamlining of the interactions between domestic software producers, software users, and international networks. Finally, governments could also influence through "public procurement" the development of ICT-related industries and in particular software, as has been highlighted in UNCTAD's most recent publication entitled "Promoting Local IT Sector Development through Public Procurement.

Our work in the area of ICTs and their contributions to economic development has led us to participate in an increasing manner to various activities (among others summits and forums) related to ICTs, for instance through the United Nations Group on the Information Society (UNGIS). UNCTAD also plays an active role in the implementation of the World Summit on the Information Society (WSIS), for example as co-organizer of the annual WSIS Forum here in Geneva in May.

Distinguished Delegates,
Ladies and gentlemen,

There is an increased interest in science, technology and innovation in the international debate on development as can be seen in the post-2015 MDGs and the Annual Ministerial Review of ECOSOC.

UNCTAD is actively involved in the discussion on the post-2015 MDGs: UNCTAD is part of the United Nations System Task Team that the UN Secretary-General convened in September 2011. In this context, UNCTAD has taken a very active role in the preparation of a thematic think piece on "Science, technology and innovation for sustainable development in the global partnership for development beyond 2015". The think piece is intended to help frame the debate about the role of STI in a new global development partnership. UNCTAD, jointly with WIPO, as a co-leader, had the overall responsibility for this paper, with inputs from other organizations.

The fact that, this year, the thematic focus of ECOSOC's Annual Ministerial Review is on "the role of Science, Technology and Innovation, and the potential of culture, for promoting sustainable development and achieving the MDGs" confirms the relevance of STI and its importance in the international debate on sustainable development. UNCTAD has substantially contributed to the preparations of this event, under the lead of UN-DESA. We have, together with other organizations, contributed to the report of the Secretary-General of the United Nations that will serve as a basis for discussions on the topic; we have also participated to a number of regional preparations of meetings of the Annual Ministerial Review, and organized a session on the upcoming annual meeting of ECOSOC in the context of the CSTD intersessional panel that took place last January in Lima.

Finally, let me say a few words about the upcoming sixteenth session of the CSTD that will take place in Geneva, 3 to 7 June. The CSTD will address two priority themes, namely *(1)*

science, technology and innovation for sustainable cities and peri-urban communities, and *(2)* Internet broadband for an inclusive digital society. It will also cover the progress made in the implementation of and follow-up to the World Summit on the Information Society (WSIS).

The Investment, Enterprise and Development Commission will have the occasion to explore in further detail a number of issues related to the role of science, technology and innovation and its policies, in particular for example investment in, and financing of innovation (item 5 of the agenda). In a few days, we will also have the occasion to discuss the activities we have undertaken in the three pillars of UNCTAD: research and analysis, consensus-building and technical assistance. Our activities report is already at your disposal that provides you with an overview of our work. Allow me also to take this opportunity to thank the donors for their important support to us.

I thank you for your attention.