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Statement by

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Mr. Chairman, Excellencies, Honorable Ministers,

Distinguished delegates, Ladies and gentlemen,

I am pleased to welcome you to the 9th session of the Commission on Investment, Enterprise and Development and to have this opportunity to share with you some thoughts about current trends in Science, Technology and Innovation (STI) for development.

The focus of the discussions in this room over the next few days will be how to make sure that the elements of UNCTAD's mandate that fall within the purview of this Commission— investment, entrepreneurship and technology, including ICTs – work as catalysts for the achievement of the Agenda 2030 for Sustainable Development.

Technology and innovation have always been central to development. What is new in the challenge of implementing the 2030 Agenda is that it must be addressed in a context of unprecedented technological change, with new and emerging technologies such as artificial intelligence, robotics, big data, the Internet of Things, 3D printing, synthetic biology, and nanotechnologies

converging and combining to disrupt economies and create possibilities for radically new productive and social processes.

Being enabled by digitalization is the key common feature of many of these new and emerging technologies. Digitalization opens opportunities for new modes of innovation in which local actors and communities in developing countries can participate more actively and with more relevant results for social inclusion. Besides making innovation more open, new technologies also result in drastic reductions in costs. For example, sequencing a genome became five times cheaper between 2001 and 2015. The cost of countless web-based services is virtually zero. Solar panels cost now less than 50 cents per watt and prices keep falling. For people living in poverty the “possibilities” are life-changing.

As we have documented in our Information Economy Report 2017, these accelerating and converging technologies also present considerable challenges for firms and societies to adapt. This concerns the competitiveness of firms. It is also about uncertainties of the future of jobs, the skills that the education systems need to equip people, and almost every other aspect of economic and social life. The challenges are formidable for all countries, but even more so for those with weaker capabilities.

Ladies and Gentlemen,

At the center of the challenge of making new technologies work for the SDGs lie firms and entrepreneurs, working to innovate and seeking to develop and define markets, products and services. An increasing number are realizing that sustainable development presents real business opportunities. Several exciting examples will be presented at the session on Wednesday afternoon that we hope will lead to a discussion about how STI policies can support innovative

entrepreneurship for the Agenda 2030. Let me suggest some considerations that may be helpful in framing that discussion.

As we have argued in our IER 2017, for the emerging digital economy to flourish, and more generally, for new and emerging technologies to perform on the aspirations of the Agenda 2030, they need to be deployed in a supportive policy environment.

A first consideration in defining that environment is ensuring **inclusiveness and environmental sustainability**: Innovation and technological progress always create winners and losers—winners more often are those who have skills and those who own capital. Getting social and environmental policy right and having STI and development policies working in concert thus becomes critical.

Second, success depends on **getting the basic STI foundations right**. I call this “back-to-basics”. This requires investing in **human capital** and technological learning – with a particular attention to developing digital capabilities; investing in “**critical infrastructure**” such as **ICT connectivity** and related power supply; promoting **innovation hubs** through technology parks, and incubators; putting in place enabling policy and regulatory measures, such as taxation, intellectual property regimes, and investment and competition policies; and finally, the implementation of policies that support the functioning of a coherent **national system of innovation** that ultimately promotes **firms and entrepreneurs to innovate**.

Third, policymakers must find the **appropriate national path for STI-led development**. This would require, among other things, creating space for experimentation and risk taking by enterprises—attributes which are rarely considered in policy making processes, but critical for promoting innovation.

Finally, national STI policies need to be supported by **international collaboration in STI policy**. Numerous initiatives exist in this respect, each with their distinctive targets and features. They include the **UN Technology Facilitation Mechanism**, or the **Technology Bank for LDCs**. International collaboration should extend beyond public sector initiatives, to engage more meaningfully with private sector actors.

Distinguished delegates, Ladies and gentlemen,

As you know, of 12 paragraphs in the Maafikiano that asked UNCTAD to strengthen or enhance specific aspects of its work, 3 concern STI – 38 (v), on STI including STI policy reviews, 55 (u), on the development gains from the digital economy and e-commerce, and 100 (r) on the establishment of the IGE on e-commerce and the digital economy. In response to this strong mandate, my Division continues to work very hard to support developing countries in harnessing STI for development.

I will have the opportunity to present to you in more detail our analytical, intergovernmental and technical cooperation activities undertaken to respond to those mandates during the session of Friday morning. Today I would limit myself to giving you some highlights of our work since the last Commission.

Concerning our mandates on ICTs, e-commerce and the digital economy, I have already mentioned the publication of our Information Economy Report 2017, that addressed the impact of digitalization on trade and development. I would also like to emphasize the successful operationalization of the IGE on e-commerce and the digital economy. The very positive results of the IGE build on the equally successful experience of our E-commerce week last April. In this regard our eTrade for All Initiative continues to attract new partners, now numbering 26. In terms of technical assistance we have launched a new programme of Rapid eTrade Assessments and already implemented it in 3

LDCs, completed the ICT strategy of Egypt and launched those of Oman and Rwanda, and conducted numerous capacity-building activities. We would like to express our gratitude to the donors that have supported much of this work: the Enhanced Integrated Framework, Finland, Germany, MasterCard, the Republic of Korea, Sweden and the United Kingdom.

We have made strong efforts to promote cross-fertilization between the substantive work on technology being done in ECOSOC's and in UNCTAD's intergovernmental processes. As you know my Division provides substantive servicing to the **UN Commission on Science and Technology for Development (CSTD)**, the highest intergovernmental advisory body in the United Nations on STI for development. In May this year, the Commission had a very fruitful discussion on the role of STI in achieving food security (the conclusions of which were fed into the HLPF and the STI Forum of the TFM), and on how new innovation approaches can help achieve the SDGs. The Commission is currently examining two priority themes: "The role of science, technology and innovation to increase substantially the share of **renewable energy by 2030**", and "**Building digital competencies** to benefit from existing and emerging technologies, with special focus on gender and youth dimensions". I take this opportunity to invite you to the **CSTD, which will meet in May 2018 in its plenary session.**

With regard to our involvement in the Technology Facilitation Mechanism (TFM), I am pleased to let you know that UNCTAD has taken over the role of the co-lead of the Inter Agency Task Team of the TFM. We will work to ensure that this change results in a better alignment of the work of the TFM with UNCTAD's activities in STI and with the work of the CSTD.

Concerning the operationalization of the Technology Bank for the LDCs, we will be participating in the first meeting of the Council of the Bank that will

open in New York in a few hours to discuss its work programme for the first year of operation. We have already agreed with the Bank's secretariat that we will deliver jointly several STI Policy Reviews in LDCs in 2018.

UNCTAD continues to provide tailor-made capacity-building assistance in STI to developing countries. Since the last Commission we have completed the STIP Reviews of Iran and Rwanda. I would like to thank the Federal Ministry for Economic Cooperation and Development of Germany who funded the Review of Rwanda. Meanwhile my colleagues have embarked in efforts to review STI policies in several other countries, particularly several LDCs, that have requested to benefit from this programme. We hope to be able to implement these projects expeditiously with the support of interested donors. These new Reviews will make use of a new methodological approach we are developing to address more effectively the challenges of sustainable development, and in response to the Maafikiano mandate to continue and enhance the STIP review programme.

UNCTAD is also undertaking a new capacity-building programme on technology policy training in collaboration with other members of the IATT of the Technology Facilitation Mechanism. The first activity is scheduled for early next year in the Western Asia Region, in collaboration with UNESCWA.

Chair, Excellencies, Ladies and gentlemen,

There is broad recognition that we need to strongly focus on STI for the SDGs. This will require meaningful policy efforts to close the technology gaps in developing and least developed countries. It will also require extra efforts from all STI and development stakeholders to shift towards a holistic approach of STI policy. It is no longer a question of understanding the power of STI to transform, but to successfully move forward in implementation of policies and

actions to unleash this power. Your guidance will be fundamental to ensure the relevance of UNCTAD's contribution to those efforts.

In closing, I would like to invite you to participate actively in the session about STI on Wednesday afternoon. I look forward to your discussion and the contributions of distinguished speakers and panelists. I wish you a fruitful meeting.

Thank you for your attention.