

Investment, Enterprise and Development Commission
Eighth Session
Geneva, 16 November 2016

Statement

By

Ms. Shamika Sirimanne
Director
Division on Technology and Logistics

*Distinguished delegates,
Ladies and gentlemen,*

I am pleased to address this Commission which is meeting for the first time since UNCTAD 14 to share with you some thoughts about our work in technology and innovation, its significance and the way forward. This also happens to be my first meeting of this Commission as Director of the Division on Technology and Logistics, and I look forward to a rich and frequent engagement with all member States.

The agreement you reached in July, the Nairobi Maafikiano, gives UNCTAD a central role in contributing to the achievement of the sustainable development goals. We are honoured by the responsibility and trust you have placed on us.

Building productive capacities for inclusive development will require that developing countries undergo structural transformation at unprecedented scale and pace. This must necessarily involve massive technology and innovation-driven improvements in productivity and competitiveness. The unprecedented proliferation of frontier technologies such as biotechnology, nanotechnology, green technology and neuro-technology, and the convergence of these multiple technologies made possible by digital technologies will fundamentally alter socioeconomic landscapes, including production processes, industrial structures and competition. Let me underscore that today's technological developments are swift, transformational and they are subject to rapid cost reductions. While they bring opportunities as well as risks, developing countries simply cannot afford to let this technological revolution bypass them.

Nairobi Maafikiano, reflecting the increased realization of the central role of STI in the new global development agenda, includes a clear and strong endorsement of UNCTAD's involvement

in STI, calling UNCTAD to assist developing countries to participate in international discussions on technology transfer and knowledge sharing; assess challenges and opportunities of new technologies; identify policy options and best practices; and build capacity. The Maafikiano also calls on UNCTAD, as host of the Commission on Science and Technology for Development, to contribute to all STI related outcomes of the 2030 Agenda. The Maafikiano includes specific mandates for UNCTAD in all four sub-themes to enhance its work in STI, including a clear message to strengthen UNCTAD's work on the digital economy and e-commerce. As you know, international entities, such as the G20, the OECD and the WTO, are rapidly ratcheting up their attention to digitalization, and they look up to us at UNCTAD to take the lead in the development dimension of digitalization.

This is all happening in the backdrop of the SDGs framework which recognizes science, technology and innovation (STI) as key enablers to achieve sustainable and inclusive growth. Also, the Addis Ababa Action Agenda that recognizes the creation, development and diffusion of new innovations and technologies and associated know-how are powerful drivers of economic growth and sustainable development.

We would like to think that the success that we had in delivering meaningful and constructive policy dialogues on the issues of STI in this Commission and its expert meetings over recent years has played some part in this positive changes. My colleagues and I are excited by the opportunity that this renewed mandate represents for us as development professionals and humbled by the complexity of the intellectual endeavour that we need to engage in if we are to come up with novel and effective approaches to the problems of technology and innovation for development.

Our work on STI issues, including the implications of ICTs for development, spans the three pillars of UNCTAD's work, consensus building, research, and capacity building. Our work in consensus building covers **two** distinct and complementary centres of interest. One is the substantive servicing of this Commission and its expert meetings – including the new and highly topical one on e-commerce and the digital economy that we hope to see finally endorsed at the TDB. The other one refers to our role as the secretariat of the Commission on Science and Technology for Development, which as you know is one of ECOSOC's functional commissions.

In servicing the Commission on Investment, Enterprise and Development, DTL addresses issues such as innovation, STI policy capacity building and their interplay with investment and entrepreneurship policies. In this context, we have had the opportunity to explore the role of STI policy frameworks as part of overall development strategies. Our findings on these issues have shown us that dramatic policy improvements are needed if we want developing countries to effectively use STI policy to help achieve the SDGs:

1. Still many countries do not give strategic consideration to STI policies – or when they do exist, STI policies often lack adequate funding for their implementation. More often than

not, there is no clear integration between STI and other key development policies such as those related to industry, foreign direct investment, and trade. Countries failing to mainstream STI in their overall development policies will not be able to use STI for development.

2. The importance of considering the local context when designing STI policies cannot be over emphasised. Innovation usually is incremental in developing countries, rather than radical, and it is carried out in a context of inadequate access to financing for technology, training, weak national linkages and low institutional development.
3. Critical regional and international linkages and collaboration are often too weak. Limited international technology adoption and diffusion are still a key issue in many countries. Technological spillovers from FDI, trade and from joining global value chains are possible but they are not automatic.
4. Our policy research underscore the need to design STI policies focused on the creation of absorptive and productive capabilities that allow countries to identify and absorb available technologies as well as create local innovations.

Let me now highlight briefly the Internet, which represents without any doubt the most powerful engine of economic, social and cultural innovation of our times. As such it has the potential to bring about immense improvements in the life of people everywhere; it also has considerable potential to create or aggravate divides. Being a transformative force, it generates losers as well as winners. We are excited that, after more than two decades of pioneering work in UNCTAD in analysing the implications of digitalization for development, the crucial importance of this issue is fully recognized and will be the focus of a new intergovernmental expert group on e-commerce and the digital economy. We are confident this work will strengthen UNCTAD's position as the global centre of excellence for work the economic and development implications of digital technologies. We are also very proud of the rapid recognition among Governments and private sector stakeholders of the value of our eTrade for All Initiative that was formally launched in Nairobi and is already on track to become a major player in facilitating collaboration and capacity building in this key area of the future of the global economy.

Many of these insights are gained from the Division's programme on Science, Technology and Innovation Policy (STIP) Reviews. These reviews help countries in their efforts make STI policy to better contribute to development strategies and to improve the competitiveness of their productive sectors. Our Division has so far conducted 13 reviews and we are in the process of completing the STIP reviews of Iran and Rwanda. We are also strengthening our policy review work with a specific sector focus on ICTs, through the ICT Policy Reviews, of which we are about to undertake one in Rwanda, and for which we have received a number of expressions of interest.

As you will note, we actively seek to create synergies between the three pillars -policy research, intergovernmental consensus building and technical cooperation. I will speak about these in more detail in my presentation later under agenda item 5.

Distinguished delegates,

DTL provides substantive servicing to the UN Commission on Science and Technology for Development (CSTD). As you may know, the CSTD is the highest intergovernmental advisory body in the United Nations on STI for development. Among its functions, this ECOSOC Commission serves as the UN focal point for the study of the development implications of ICTs. The Commission is currently examining two priority themes: "The role of STI in ensuring food security by 2030", and "New innovation approaches to support the implementation of the Sustainable Development Goals". These topics will be addressed during our next Panel meeting, which will take place on 23-25 January in Geneva. The Commission will review recent STI advances and their potential to increase agriculture productivity as well as new technologies that can help small farmers, and will examine new funding mechanisms to support innovation in developing countries.

Because CSTD is an ECOSOC Commission, you may not be so familiar with its work. One of my priorities as Director of DTL is to further develop the synergies between the UNCTAD machinery and the CSTD and to raise the profile of the CSTD even further. I take this opportunity to invite you to follow more closely the work of the CSTD, which will meet in January in its intersessional panel and in May in its plenary session.

Ladies and gentlemen,

There is broad recognition that, harnessing the potential of STI, closing the technology gaps and scaling up capacity-building are essential for the shift towards sustainable development and poverty eradication. The potential that STI offer for development, including those created by new ICTs technologies, can only be achieved through a significant improvement of the technological and innovative capabilities of developing countries that puts them firmly on a path of technological convergence with the advanced economies. I am confident that your discussions here will guide countries in their efforts to design and implement appropriate policies and programmes to build these capabilities to actively shape the role that STI plays in their development paths.

In closing, I wish you a fruitful meeting and pledge full support of our Division, for the work of the Commission during this session. Thank you.