

INNOVATION POLICY FOR INCLUSIVE SUSTAINABLE DEVELOPMENT IN THE ARAB REGION

Economic And Social Commission For Western Asia



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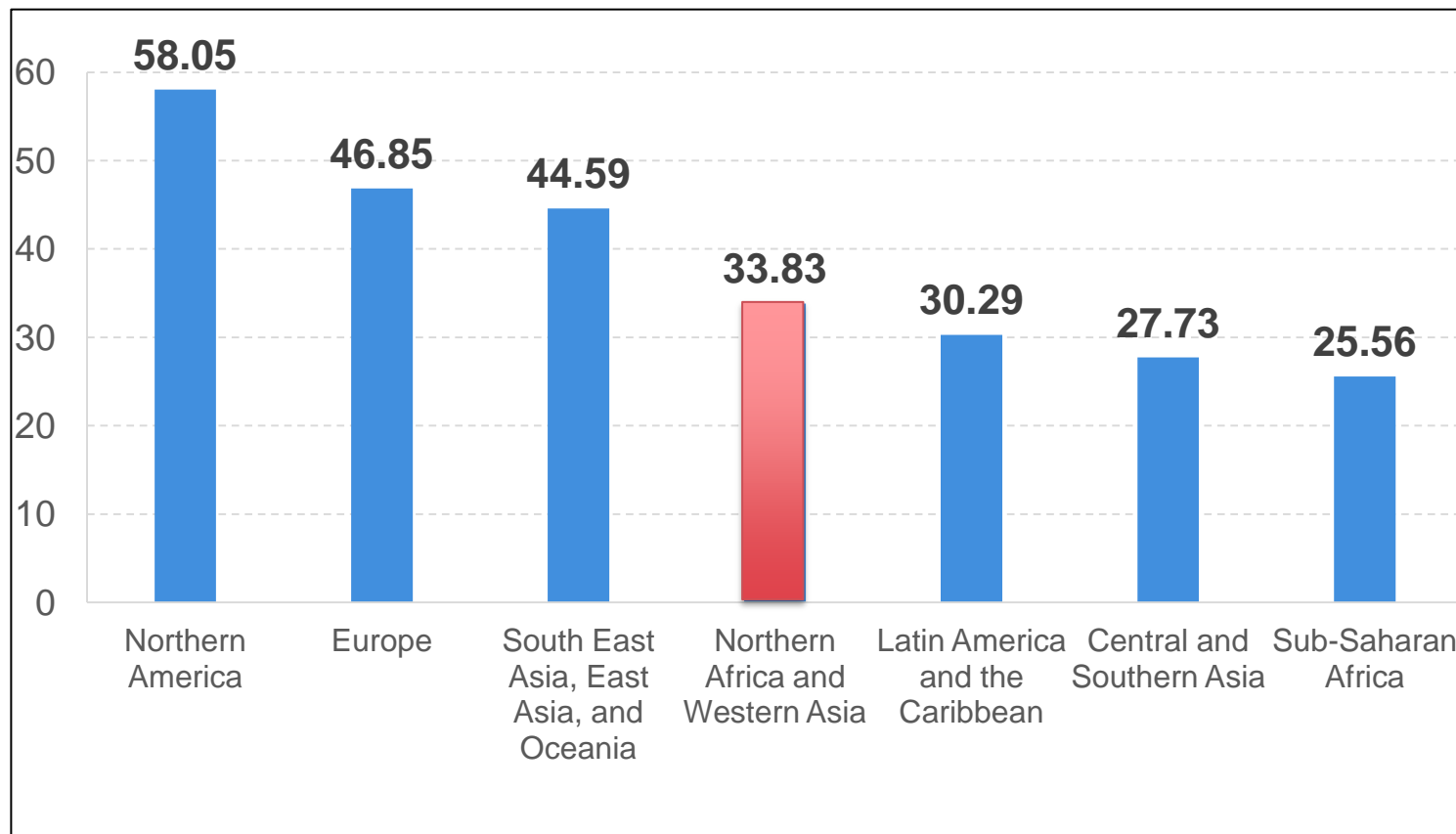
What is Innovation...today?

- ‘The implementation of a **new** or **significantly improved** product (goods or services), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.’
(*Oslo Manual, 2005*)
- ‘new’ relates to a specific **context** or market not in absolute terms
- Innovation is a driver of productivity, economic growth and economic diversification.
- Important role of innovation for inclusive development: addressing poverty, health, environmental, pollution, energy and other issues. (source: Goedhuys and others, 2015).

Arab Countries Ranks in Global Innovation Index, 2016

Country	2016		2015	
	Value	Rank	Value	Rank
United Arab Emirates	39.4	41	40.1	47
Saudi Arabia	37.8	49	40.7	43
Qatar	37.5	50	39	50
Bahrain	35.5	57	37.7	59
Kuwait	33.6	67	33.2	77
Lebanon	32.7	70	33.8	74
Morocco	32.3	72	33.2	78
Oman	32.2	73	35	69
Tunisia	30.6	77	33.5	76
Jordan	30	82	33.8	75
Egypt	26	107	28.9	100
Yemen	14.6	128	20.8	137
Sudan	15	141
	31.85		32.67	

Regional innovation ranking (GII)



Source: Global Innovation Index 2016. Available:
http://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2016.pdf

Innovation Policies (IP) in Arab Countries

- **Some Arab countries have elaborated a form of IP to improve their NIS**
 - Imbued with a ‘technical vision’ and unclear links with broader socio-economic goals
 - Distinct science, technology, innovation and entrepreneurship strategies co-exist with unclear coordination
- Some countries have a **broader national growth and development strategy** that includes innovation but...
 - Concrete contribution and link between IP and national strategy often unclear

Innovation Policy for the Arab Countries

- **Encourage member countries to formulate innovation policies** that promote the role of technology for inclusive economic growth and support the achievement of SDGs.
- **Bridge the gap between Arab countries and many developed and developing countries** that have made strides in technological and knowledge development and thus enhanced their economic growth.
- **Provide Arab countries with a comprehensive framework** to develop a national innovation system that supports economic growth and contributes to the achievement of the sustainable development goals.

Proposed Framework for the Elaboration of Innovation Policy in the Arab Countries

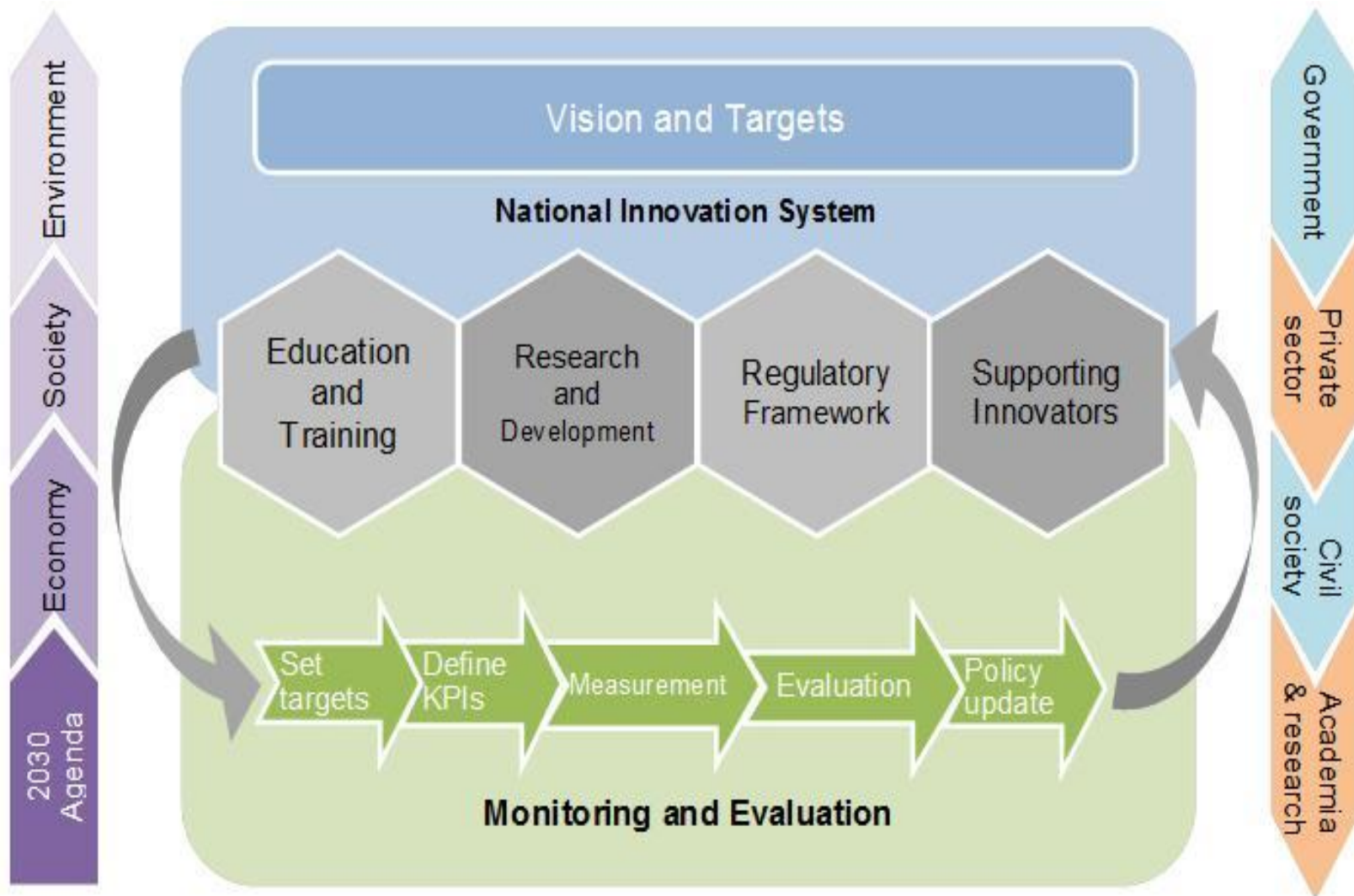


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ESCWA Framework for Innovation



Elaborating the IP vision (I)

- Spell out the “**what for**” question articulated around a limited set of strategic objectives
- Next, the “**by which means**” question address shortcomings and gaps in the country
- A third step relates to the NIS actors or, in simpler terms, the “**by whom**” question
- Formulate a **vision and specific objectives** for the which should be linked to other development objectives
- A set of **well-defined targets** and associated indicators.
- Should be elaborated at the **highest political level**

1st Pillar- Improving Education and Training

- Quality education requires a **new approaches to build skills** away from rote learning and memorization
- Student's well-being and development of their curiosity and critical thinking during the **early stages of primary education** is a must to nurture future innovators
- Develop **Vocational Education Training (VET)** at higher secondary and post-secondary level to address scarcity of mid-level or craft competencies
- Address **Brain Drain** issue with measures aimed at leveraging skilled expatriates

2nd Pillar- Strengthening Research and Development

- Increasing the allocated **budget for R&D** at national level and at university level
- **Open Science** improve efficiency, avoid duplication of effort and enable more research on the same data
- **Technology Transfer Offices (TTO)** to manage this technology transfer of universities' research
- Arab scientists should participate more actively in **international research programs** addressing issues of global concern
- Arab countries might consider **research grants or incentives** to support firm's R&D.

3rd Pillar- Consolidating Regulatory Framework

- **FDI flows:** sharp fall from levels reached in 2008
 - Predictable and transparent regulatory and legal frameworks & simpler business-related procedures
- **Public procurement:** acquire foreign technologies and develop the demand side for local innovation
 - Procurement of innovative goods and services
- **Patenting:** strengthening the patent system, such as:
 - Transparent and accessible opportunities for opposing patents.
- Fair and transparent **competition** is still absent in the vast majority of Arab countries.

4th Pillar- Supporting Innovators

- **Business services** through public-private partnership with private sector specialists to offer a range of business services to young innovative firms.
- Improve efficiency and impact of **Incubation structures**
 - Develop one-stop shop centralized information portals to SMEs
- Develop **early stage financing** of innovative firms.
- **Clusters** are important mechanisms that might create an effective innovation eco-systems.

Monitoring and Evaluation of IP

- Choosing the most appropriate M&E indicators depends on the specific **targets** and dedicated **means** set out by each country's specific IP
- Recognized major **indicators for innovation** such as:
 - 1) Spending levels on R&D, 2) Innovation carried out by firms, 3) Exports of high-tech products, 4) Patenting
- Arab countries should **improve their statistical data collection** for innovation indicators particularly as regards firms' innovation surveys and detailed spending levels on R&D

Measures for implementations

- A **high-level steering committee** to ensure proper stewardship and arbitrate in case of conflict
- A **mechanism to strengthen collaboration** and interactions among various stakeholders
- An **implementation agency** with adequate budget and delegation of authority

Innovation Policy & Sustainable Development Goals SDGs



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Innovation Policy (IP) and SDGs

- The **Development Agenda 2030** and its 17 Sustainable Development Goals (SDGs) with their 169 targets are closely related with Science, Technology and Innovation
 - 19 targets refer to significant overall technology performance improvement
 - 12 targets to universal access to sustainable technology
 - 17 targets to global effective innovation system for sustainable development
- Innovation Policy covering SDGs contribute to the '**triple bottom line**' of an inclusive and sustainable economic growth.

Innovation Policy and SDGs: the way ahead

- Provide visionary leadership for **STI as an integral component of SDG** strategies
- Address **social economy** when building an enabling environment for STI
- Provide **funding** for social and environmentally relevant projects
- Provide **incentives for talent** to address social and environmental issues
- Develop **Inclusive Innovation** initiatives

High priority SDG sectors and IP: Climate Change

- Climate Change Mitigation
 - Comprehensive **green growth** strategies
 - **Clean energy** and **greening industry** initiatives integrated within IP
- Education, Research and Development
 - Develop **climate change education and awareness**
 - Strengthen local and **regional models** for measurement and assessment of climate change impact (e.g., RICCAR)
- Local innovation for Climate Change adaptation
 - Strengthen role and capabilities of **local authorities** and communities to develop climate change initiatives

Concluding Remarks

- Transforming Arab countries into **learning societies** capable of leveraging science, technology and innovation at the service of an inclusive and sustainable development is both **doable** and **necessary**
- But STI on its own cannot do miracles and cannot be leveraged in the absence of **proper socio-political** conditions and resulting socio-economic model that **rewards effort and entrepreneurship** at the expense of rent seeking and associated corruption
- Some Arab leaders might have (partially) got the message...but the road ahead is still long and arduous

THANK YOU!

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