



Economic Commission for Europe

Committee on Innovation, Competitiveness and Public-Private Partnerships

Team of Specialists on Innovation and Competitiveness Policies**Fifteenth session**

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Review of the work of the Team of Specialists on Innovation and Competitiveness Policies since its fourteenth session**Evaluation report of the extrabudgetary project “Promoting innovation policy capacities in Eastern Europe and the South Caucasus” financed by Sweden****Note by the secretariat¹****I. Introduction**

1. This document constitutes the summary of the evaluation report of the ECE project E317, "Promoting innovation policy capacities in Eastern Europe and the South Caucasus (EESC)" (hereafter referred to as "the project"). The evaluation report and this summary were produced by Dr. Tania Tam, who is a senior international and independent development project evaluator. She was selected by the Programme Management Unit, which ensures overall coordination of ECE programme management (planning, monitoring, reporting and evaluation) of all ECE activities funded from regular and extra budgetary resources. The evaluation report was concluded and ECE is preparing a management response. This document constitutes in large parts a verbatim of the official summary of the evaluation report.² The findings of the evaluation shaped document ECE/CECI/ICP/2023/INF.7 on Supporting ECE member States in promoting innovation for sustainable development: an overview of fundraising needs and opportunities.

2. The evaluation assessed the project relevance, effectiveness, efficiency, and sustainability in enhancing innovation policy capacities in EESC countries – Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine.

3. The primary intended audience of the evaluation is Sweden government agency for development cooperation (Sida) and ECE staff involved in funding and implementing the project. The secondary intended audience of the project include beneficiaries and country representatives involved. The Programme Management Unit plans to share the evaluation with other ECE divisions and compile lessons learned through the evaluation for improving other divisions' work (especially in terms of the “Leave No One Behind” (LNOB) approach). In line with ECE evaluation policy, the objectives of evaluations are to: (1) promote

¹ This document has not been formally edited.

² Neither the evaluation report of the evaluation summary underwent a professional copy edit.

organizational learning; (2) improve programme performance; and (3) ensure the accountability of the ECE to member States, senior UN system leadership, donors, and beneficiaries. The evaluation lasted from May 2023 to August 2023.

4. For this evaluation, the evaluator used a theory-based evaluation methodology to address the timeline between the project activities, such as capacity building, data collection and analysis, and, for example, changes in policy capacities. The evaluation reached 74% of the project stakeholders identified by the project team, 49 in total, through in-person interviews during a field visit to Armenia and Georgia (11), telephone and video interviews (20) and an online survey (an additional 18). Thirty-one in-depth semi-structured interviews were conducted between May and August 2023, each consisting of 45-60 minutes. During these 31 interviews, all respondents were also asked for survey responses, thus providing 31 quantitative survey responses in addition to 18 respondents filling in the online survey. ECE Project Management Unit vetted project stakeholders interviewed during the evaluation.

5. The surveyed group consisted of policy specialists in innovation and expert stakeholders from international organizations who understand innovation policy. Thus, by its very nature, the group was small but highly relevant and knowledgeable about the evaluation subject. Thirty-one interviews were highly in-depth and, combined with the high level of expertise on both innovation and the project, yielded sufficient quality of input for the evaluation. Regarding the gender of participants, 20 of the 49 respondents were female (41%), and 29 were male (59%). The field visits to Yerevan and Tbilisi took place in the week beginning on 5 June 2023. The online survey launched in mid-July yielded a response rate of 60%, based on the 18 responses received. The evaluation reach is very satisfactory, given other UN Secretariat evaluation response rates range between 15% and 30%.

II. Overall Evaluation Results

6. The ECE project received excellent scores across its four evaluation categories. The project was highly effective, with a stakeholder satisfaction score of 82%. It accomplished all seven expected accomplishments, such as the National Innovation for Sustainable Development Reviews (I4SDRs) of Armenia, Georgia and the Republic of Moldova and the development of the sub-regional Innovation Policy Outlook (IPO). Stakeholder satisfaction reached 88% for the project relevance and coherence and 86% for its efficiency, given the excellent ECE project management and implementation. The sustainability of project results was also very high, with 83% stakeholder satisfaction due to high results ownership. The most direct impact has occurred through the implementation of the I4SDR and IPO recommendations.

III. Evaluation Results Related to Relevance and Coherence

7. The project was highly relevant to the six project countries despite conflicts, ongoing political instability, and the pandemic since the project started in 2018. The ECE project gave crucial support to the region, with Sida and ECE filling a critical gap at the time when the project countries prepared national innovation strategies. The evaluation finds that the project components were relevant, as all other analytical tools on science, technology and innovation (STI) - such as the European Innovation Scoreboard - was less relevant for transition economies, requiring a more sub-regional approach through an Innovation Policy Outlook (IPO) and Innovation for Sustainable Development Reviews (I4SDRs).

8. The project addressed previously poor coordination among national stakeholders, exacerbated by frequent staff changes in government agencies in all project countries. As a Geneva-based body with no regional offices, ECE provided high-quality analytical input using international best practice recommendations to guide other organizations operating on the ground. For example, in the I4SDR of Ukraine, currently at the research stage, a chapter will analyze the current reconstruction strategies and suggest improvements. Hence, the project efforts guide the larger international community in working within the EESC region on the topic of science, technology, and innovation, as well as sustainable development more broadly.

9. The evaluation finds that the Leave No One Behind approach promoted by the United Nations Secretariat was taken very seriously by the project team and showed a high level of coherence during its implementation. Concerning gender equality, the project team considered the equal participation of women and men when organizing training and conferences. This is a small and subtle step but inviting diverse stakeholders to such events ensures that they receive the necessary training and career capital and their perspectives are heard.

10. However, a broader Leave No One Behind prioritization was not reflected in governments' needs and priorities, and results were limited. Hence, greater awareness and education is required among stakeholders about the importance and benefits of integrating gender, human rights and disability perspectives into project design and implementation. It should be noted that human rights and disability were not included in the donor agreement. Thus, the donor did not demand mainstreaming of these considerations. Instead, the donor agreement mentions environmental sustainability and poverty reduction as overarching goals. Both were honoured in ECE work and in beneficiary countries. One way to promote the integration of gender, human rights and disability in future programming is to establish indicators measuring the impact of these in the programs and relevant targets in the relevant implementation sectors.

11. One notable finding of the evaluation was the constant methodological improvements of ECE flagship analytical tools, notably, the I4SDRs and the IPO. Elective chapters were added, meeting direct demand from the countries themselves. This work could now be scaled up to other regions and/or countries with little cost. Operations are already running smoothly in the organization of regular regional policy dialogue sessions and consultations, and in the dissemination of findings and conclusions, making scaling up the project, continuing it, and adapting it to other regions cost-effective in terms of materials and operations, considering the expertise accumulated and the significant momentum created over these past years.

12. Conclusions: The project addressed a significant sub-regional development cooperation gap through its in-depth support to STI, in particular its focus on STI policy and governance. The project provided visibility to Sida and ECE, transferred large numbers of relevant international good policy practices to the region (including lessons learned from Sweden innovation development journey), and worked closely with all relevant stakeholder groups and to the enhance the region STI ecosystem. However, not all deliverables reached all countries evenly, and the Leave No One Behind approach was supply-driven. The adaptation of the project for any future implementations will be highly cost-effective.

13. Recommendation 1: given its high relevance, it is recommended to i) seek continuation of funding to support further EESC countries (especially for ensuring sustainability and continuity); ii) seek new funding to replicate this project for other sub-regions, such as the Western Balkans or Central Asia. At the same time, this can raise donor visibility and complement investments into the European Union EU Eastern Partnership (in the case of EESC). ECE governance-focused approach using evaluation, accountability, and transparency also aims to reduce corruption and informality in the EESC region, where this issue is of great relevance. Priority: high, next six months for new project designs.

14. Recommendation 2: increase awareness among national stakeholders in Member States about the importance of the Leave No One Behind approach across policy-making, for example, by adding relevant indicators in the project results framework, and supporting ongoing national processes such as the upgrading of online procurement platforms for reading impaired persons, with a focus on gender, disabilities, and human rights (keeping in mind that the latter two were not included in the project document). Priority: medium, next 6-12 months for new project designs.

IV. Evaluation Results Related to Effectiveness

15. The project accomplished two out of three objectives above expectations, with the third one, the implementation of recommendations, showing results in some countries while in others, it is still too early to assess.

16. The evaluation found the following results by project objective:

17. Project objective a) improved policy dialogue: The project successfully established a multi-stakeholder dialogue for developing the Innovation Policy Outlooks (IPOs) leveraging ECE neutrality as a UN body, using international and local expertise and comparing the six countries. The dissemination of lessons learned through ECE IPO/I4SDR/capacity building/policy dialogues at the Committee on Innovation and Public-Private Partnerships (CICPPP) and the Team of Specialists on Innovation and Competitiveness Policies (ToS-ICP) sessions also enhanced policy dialogue, where hundreds of member States and international organisations representatives listen in and exchange knowledge about innovation.

18. Project objective b) improved understanding at the national level of policy options: The project successfully improved the understanding of policy options at the national level based on research and the identification of policy challenges and objectives, as well as ECE trainings and capacity building seminars. The policy dialogue mentioned above at the national and international level also contributed to an enhanced understanding of policy options. The synergies between ECE intergovernmental work, technical assistance, and capacity building were crucial for achieving this project objective. The secretariat studies best international practices and success stories, implements them in less developed member States, and disseminates lessons learned in the process to other member States, feeding the foundation of knowledge ECE have built over the years.

19. Project objective c) enhanced national implementation of ECE policy recommendations: The project managed to accomplish many concrete policy change in the areas with potential and demand for change by creating an evidence base and capacity building. Examples include developing and adopting a new procurement law in Georgia emphasising innovation-enhancing procurement (IEP), technology transfer in the Republic of Moldova, and venture capital in Belarus. For other countries, the actual implementation of recommendations is too early to tell. The project made actionable, targeted, time-bound and prioritized recommendations, and the dialogue with national stakeholders continued to facilitate the implementation of recommendations.

20. Unexpected project results included the project ability to bring together diverse stakeholders from countries innovation ecosystems due to good preparation of the project team and local intelligence on the ground through the use of national experts. The project performance was affected by positive and negative factors. Positive factors influencing project performance included the quality of the project team, ECE convening power, the acceleration of using virtual technology as a COVID-19 mitigation measure, and the project duration of over four years. Concerning the project team, ECE selected staff from diverse academic backgrounds and established transparent and efficient internal processes and reporting, contributing to efficient and accountable project management.

21. Negative factors influencing project performance comprised meeting and travel restrictions due to COVID-19, the volatile political situation in the sub-region, which included conflicts in project countries, the economic downturn and turf battles among government stakeholders due to unclear or overlapping internal mandates concerning innovation.

22. Project-related improvements in policymakers' competencies included policymakers' broadened understanding of innovation concepts transferred from ECE expertise. The project mitigated the frequent staff turnover in beneficiary countries through a networking approach, including at the technical level in governments. The evaluation finds that it too early to assess stakeholder competencies to support environmental sustainability, gender equality, good governance, and economic growth.

23. Finally, the project systematically involved other UN and non-UN stakeholders in the implementation, including UN country representatives, EU delegations and Swedish embassies, the World Intellectual Property Right Organisation (WIPO), the Organisation for Economic Co-operation and Development (OECD), and the World Economic Forum (WEF), showing good coordination with UN stakeholders and other international partners, leading to improved donor coordination and the avoidance of duplication.

24. Conclusions: ECE neutrality, expertise and convening power helped engage stakeholders during the project implementation, enhancing knowledge and awareness about innovation policies. The project positive results were attributed to a proactive and engaged professional team, flexibility, and mitigation of unforeseeable factors. The team's systematic inclusion of UN and non-UN stakeholders benefits Swedish embassies in the project countries by raising the innovation topic on national agendas and sharpening Sweden profile on this topic in the region.

25. Recommendation 3: in a context where donors increasingly focus on short-term results after 12 or 24 months, ECE should encourage Sweden and other donors to continue investing in projects with a systemic change approach, leading to the implementation of research recommendations as a means to ensure the sustainability of results. A project duration of 5 years is recommended for projects with such an approach. Priority: medium, next 6-12 months for new project designs.

V. Evaluation Results Related to Efficiency

26. The project management was highly professional and an example of excellence for many stakeholders. The project has been well-executed, thanks to adequate funding for mobilizing consultants and a professional project team within ECE, showing an outstanding performance. The project team used international experts and tapped into a network of well-connected national experts. Implementing a focal point approach, which entails centralized coordination in each country, streamlined communication, efficient organization, and better collaboration among stakeholders, while catalysing the project implementation.

27. While COVID-19-related restrictions and armed conflicts in the region affected the project implementation, requiring no-cost extension, the combination of timely instructions, guidelines, and feedback from an organized project team set a solid foundation for success in the project. Overall, the project duration for work on behaviour change required 4 to 5 years, as it was complex and involved significant efforts to modify people's attitudes, habits, and behaviours.

28. The evaluation finds high resource use efficiency, for example, during the COVID-19 pandemic. By utilizing technology, such as video conferencing and online training tools, it became possible to connect with a diverse range of individuals and groups remotely, reaching even more stakeholders than during in-person visits. Also, the involvement of local experts was crucial in energizing local stakeholders, particularly during challenging times like a pandemic. Rapid learning in an unprecedented and stressful situation enabled the project team to do many more tasks virtually and combine regular and frequent online meetings with missions, increasing efficiency further in future projects.

29. Conclusions: the project was good value-for-money due to a professional and highly qualified team, efficient implementation, local expert use, and centralized coordination through national focal points during pandemic-related travel restrictions. ECE even executed deliverables not in the donor agreement using existing funds.

30. Recommendation 4: building on the good practices of this project, using local experts to gather intelligence on the ground is recommended for similar future projects at the country level. At the same time, national focal points should continue to be appointed for centralized project coordination in project countries. Priority: medium, next 6-12 months, for new project designs.

VI. Evaluation Results Related to Sustainability

31. The evaluation finds that, as the project is still ongoing, results are mixed and in different stages across project countries, thus making further continuous follow-up necessary to solidify the results. As the project streams ended, countries remained highly engaged to collaborate on the implementation of policy recommendations and support national strategies and initiatives. Ownership of results, institutionalization, and up-scaling are evident in Armenia, Azerbaijan, Georgia, and the Republic of Moldova. However, the evaluation finds

that governments still require close support for national strategies and policies is required, including during the review and updating of the latter, for example, in Armenia or the Republic of Moldova.

32. The evaluation finds that the project methodology can be replicated in other sub-regions and countries, with some amendments to the current approach and always considering sub-regional contextualization. The upscaling could be undertaken with little cost, given the initial investment in this project for improving the I4SDR review methodology. ECE also learned much about the operational side of running sub-regional projects, organizing dialogue sessions and consultations, and disseminating findings and conclusions. This similarly makes scaling up the project or adapting it to other regions cost-effective, considering the expertise accumulated within ECE over the past years.

33. Conclusions: stakeholders demonstrate a strong buy-in and interest in the project recommendations, institutionalizing them in many countries, but require continued external support for innovation strategies and policies. The project approach is fit for purpose and ready to be replicated in other sub-regions.

34. Recommendation 5: as a follow-up to this project, ECE should use its limited regular budget resources to monitor the implementation of recommendations and keep engaging with the network of focal points to share good practices for developing and implementing national innovation-related strategies and policies. Priority: very high, next 3-6 months for new project designs.

35. Recommendation 6: senior management should use this evaluation report as a robust evidence base to lobby for replicating the project approach in other sub-regions, for example, the Western Balkans, with high relevance for donors like the EU and Sweden. This should be done, as explained in Recommendation 1 by i) seeking continuation funding to support further EESC countries (especially for ensuring sustainability); ii) seeking new funding to replicate for other regions, such as the Western Balkans or Central Asia. Priority: very high, next 3-6 months for new project designs.

VII. Next Steps

36. The [Report](#) and an evaluation [brief](#) and were posted on Open ECE. The results of the evaluation will be disseminated widely among project and ECE stakeholders. The ECE secretariat is preparing a management response to the evaluation. A well-thought-out management response and timely implementation of recommendations will demonstrate the ability of ECE to learn and improve its programme performance. Once finalized, the management response will be posted on Open ECE and the implementation of recommendations will be reported to the ECE Executive Committee as part of the Annual reports on Evaluations and presented to external auditors (United Nations Board of Auditors, Office of Internal Oversight Services).
