

Innovation policies in the Pacific: Present and Future



Ludovico Alcorta
UNIDO

OUTLINE

- Innovation policy in the Pacific today
- Improving policy making: process
- Improving policy making: content
- The role of EU



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Innovation policy in the Pacific today

Government policies and support mechanisms: Overall Status

- Large heterogeneity across countries
- Few countries have a government body to overview innovation and innovation policy
- In most of the countries, innovation legislation is beginning to be introduced but they still lack a coherent strategy for innovation
- Set of policies directly or indirectly affecting innovation are fragmented, not always transparent and often works at cross purposes

Papua New Guinea

- PNG is making significant progress on legislation to favour a system of innovation: Science Council, research coordination and priorities....
- **Trade policy:**
 - trade policy framework remains weak, with insufficient coherence and coordination.
 - Policy-making is largely ad hoc
- **Education:** weak connection between education and production

Samoa

- Samoa is beginning to introduce legislation related to innovation but needs to enforce more actively
- **Investment policy:** numerous limitation to foreign investments
- **Land ownership:** strict controls on transfers of private land to foreigners investors.

Fiji

- Government is fully aware of the need to promote innovation
- **Investment policy:** does not exclude forfeiting of foreign investments
- **Price controls:** extensive price controls may discourage innovation

Government policies and support mechanisms: Policy characteristics

- Policy document as wish-list
- Policy documents do not include
 - Which are the targets?
 - Which are the priorities?
- Policy documents are not evidence based
 - Assessment Report is meant to provide preliminary evidence
 - More research and data collection is needed
 - Analytical background is rarely present
 - How to measure results?

What needs to be done

1. Improve the process of design and implementation of innovation policy
2. Improve the content of innovation policy



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Improving policy making: process

What needs to be done: process

- More (pre-design) analysis
- More dialogue in the design phase between *all* the stakeholders
- Gain support from the stakeholders and from the population
- More monitoring and evaluation
- Flexibility and adaptation of the policy

Pre-design analysis

- Understating of the current economic, social and political situation
- Data: necessary (pre)condition to elaborate any policy
- Pilots to explore the feasibility and the expected results of full policy

More dialogue in the design phase between *all* the stakeholders

- Status
 - PP Dialogue is very limited at the moment
 - Dialogue between the Private Sector and the Public Sector is crucial
- Define the policy objectives and timeline to align expectations
- Share information to elaborate a common strategy
- Create shared objectives.
- Dialogue needs to be a *continuous* process of common elaboration and confrontation (sectoral strategic platforms for innovation, national and regionally coordinated innovation initiatives)
- Dialogue requires time and dedication

Gaining support from the stakeholders and from the population (Innovation Policy is costly)

- Make the motivations behind the policy understood
- Make the process transparent
- Make the costs public
- Make the (expected) benefit public

Monitor and evaluate the effects of the policy

- Policy effects needs to be measurable
- M&E needs to be part of the policy design from the beginning
- Evaluation is useful
- Evaluation results could be used to generate new policies

Flexibility and adaptation of the policy

- Rationale:
 - external conditions may change
 - stakeholders priorities may change
 - results may not be as anticipated
- Continuous adaptation and improvement arising from feedbacks on intermediate results



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Improving policy making: content

What needs to be done: content

- Innovation and development stage
- Reduce costs of starting a new business
- Creation of an Innovation Promotion Agency
- Creation of incubators and technopoles
- Provide training to transform research into innovation

Innovation and development stage

- Innovation is not (basic) research
- Type of innovation to be targeted:
 - imitative
 - incremental
- Focus on applied research: engineering and small scale development
- Content of innovation policy:
 - specific areas: agro-processing and biodiversity
 - specific activities: knowledge transfer, cooperation among firms/companies

Reduce costs of starting a new business

- Rationale:
 - all costs are relevant: monetary and information
 - saved time and costs can be invested in innovation
 - new ideas require to quickly reach the market
- Costs that need to be addressed:
 - registration, licensing, legal, red tape
 - Financial costs

Creation of an Innovation Promotion Agency (or use existing agencies)

- A public/private body managing, coordinating, and promoting innovation projects in the country
- Main role is to facilitate the matching of researchers with domestic and foreign investors
 - businessmen are not scientists and do not necessarily are updated with research
- **How?**
 - searching for investors willing to develop existing innovation ideas
 - promoting (domestic and foreign) innovation investment in the country

Creation of incubators and technopoles

- Physical closeness helps innovation
 - researcher exchange ideas
 - entrepreneurs meet and learn what others are doing
 - scientists (with ideas) meet companies (willing to invest).
- Possibility to share some resources (e.g. meeting areas, cars, etc.): this reduces costs

Provide training to transform research into innovation

- Research is often a pre-condition for innovation
- Innovation is something more and different from pure research
- Scientist are not businessmen
- Researchers need to learn how to transform an idea into a successful innovation, i.e. a profitable economic activity

The role of EU

The PACENET project testifies the interest of the EU in fostering innovation in the Pacific

Obstacles to this cooperation

- 1) Lack of information on the Pacific side
- 2) Lack of a coherent strategy on the EU side

Policies to promote innovation

The role of EU

Pacific countries are not “selling” well opportunities for cooperation

Lack of information:

- innovation opportunities
- innovation policy/measures

This affects:

- domestic economy
- relationship with potential investors and international donors / agencies

PACENET:

collected and organized this information to favor the creation of collaboration and projects between the two regions.

Policies to promote innovation

The role of EU

Lack of coherent strategy

- EU presence in the region is growing but still limited
- needs to better promote its programs
- cooperation needs to be continuous

PACENET:

Helped disseminate EU programs and activities.

The outcomes of the project hopefully will help in designing the innovation policy of tomorrow

IS IT ENOUGH? WHAT NEXT?