



**Inter-American Development Bank
Multilateral Investment Fund
ICT Cluster**



ICT4BUS PROGRAM

**TECHNOLOGY TRANSFER
GUIDELINES FOR THE PROJECT'S SELECTION PROCESS**

April 2009

I. Executive Summary

The ICT4BUS Program includes a Technology Transfer¹ facility for financing the replication of ICT solutions and services among countries. These ICT solutions and services should be directed to SME, and developed through Technical Cooperation projects financed by the IDB/MIF.

The Technology Transfer facility (TT) is a response to several demands from organizations established in the IDB member countries that have knowledge of successful solutions financed by the IDB/MIF that can help them to solve problems or take advantage of opportunities very similar to the ones that existed where the projects were originally implemented.

In the TT process, organizations face challenges related not only to the use of technology, but also to changes in organizational and cultural areas. This is still more complex when organizations are established in different countries. Therefore, TT projects require 3 fundamental roles:

- (i) **LEADER**, the project's Executing Agency financed by the IDB/MIF, knowledgeable and experienced regarding the ICT solution/services to be transferred.
- (ii) **RECEPTOR**, knowledgeable of the SME sector where the ICT solution/services will be transferred.
- (iii) **LEADER-RECEPTOR**, the new figure based on a mutual agreement of cooperation and work, created in order to adapt the services developed by the LEADER in the new environment. This new figure will be operational after the TT process concludes.

The TT projects must benefit at least 30 SME of the receptor country, which will use the adapted ICT services to the new environment. Also, the project will provide the RECEPTOR with capacities for operating independently and expanding the services to other SME in the new country.

II. Objectives

To extend the impact of ICT projects financed by the IDB and the MIF through their replication in other countries.

III. Eligible Institutions

LEADER organization: Beneficiary institutions of projects financed by the IDB or the MIF that have successfully developed an ICT solution and/or services for improvement of the competitiveness of the SME. The project must be in its final phase or finalized, and its Final Evaluation completed. The developed ICT services must be ready to be transferred.

¹ "Technology transfer" is defined "as the exchange of technological organizational knowhow among partners (individuals, institutions, and enterprises) in order to enhance at least one partner's knowledge and expertise, and strengthen partner's competitive position. Technology transfer occurs at all stages of the technology innovation process, from initial idea to final product. This process integrates multiple functions, including research, development, design, production engineering, manufacturing, marketing, and other value-added". Abramson, H. N., J. Encarnacao, P. R. Reid, and U. Schmock (eds.), *Technology Transfer Systems in the United States and Germany*, Fraunhofer Institute for Systems and Innovation Research, NAE, Washington, D.C., 1997.

RECEPTOR organization: Nonprofit and non governmental organizations (NGO) with significant experience with SME, that represent SME, or with experience in formulating ICT solutions and services. Among these institutions are commercial and/or industrial chambers, commerce and/or industrial associations, universities, foundations, research centers, and centers for promotion of entrepreneurial activities. The RECEPTOR institutions must be legally established in any of the following countries: Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Surinam, Trinidad & Tobago, Uruguay, and Venezuela.

In order to present a TT project proposal it is **necessary** to establish a work and cooperation agreement between the LEADER institution and the RECEPTOR institution.

IV. Selection Process

The selection process has 4 main steps:

1. Send a letter to the ICT4BUS team as an expression of interest for presenting a Technology Transfer project proposal. This letter must specify the LEADER institution, the RECEPTOR institution (s) and their ability and willingness to work together in a TT project. It should also include the identification and contact information of the institutions' representatives. This letter can be sent via e-mail to ict4bus@iadb.org or to any of the ICT4BUS team members.
2. Present the Project Proposal for which you need to complete and send the form "Technology Transfer Project Proposal". Proposals can be presented at any time and will be evaluated in the order in which they are received. The ICT4BUS will accept TT proposals until the available financing amount available for this facility is reached.
3. The Project proposal will be evaluated based on the criteria defined in section V by a MIF Committee. During this process, it is very likely that there will be interaction between the MIF and the participants as additional information may be required or questions regarding the project may arise. It is also possible that in some cases the MIF Committee needs to travel and visit the LEADER/RECEPTOR country in order to validate the viability and impact of the proposed technology transfer.
4. Communication of the results of the project evaluation process to the participant institutions.

V. Selection Criteria

The TT Project proposal selection process is based on the following criteria:

1. Project's impact on SME's competitiveness in the RECEPTOR country and expected results.
2. Expected demand for ICT services and solutions from the RECEPTOR country's SME.
3. Appropriateness of the Implementation Plan.
4. Institutional, technical, and financial capacities of the organizations (LEADER and RECEPTOR) to implement the proposed plan.
5. Operational and financial sustainability of the solution or service in the new socio-economic and geographic environment.

VI. Financing and Eligibility Costs

The MIF will provide financing for a maximum amount of US\$200.000 per TT Project. The MIF financing will cover costs related to the implementation and adaption of ICT solutions to the needs of the target SME, training, technical assistance and travel requirements. Administration costs should be included in the counterpart financing component. Participating organizations should contribute with counterpart funding corresponding to 30 – 50% of the total project's cost, depending on the TT RECEPTOR country.

A maximum of one TT Project will be financed per organization (LEADER or RECEPTOR).

VII. Supervision and Project Execution

The MIF will supervise the projects' execution in collaboration with the IDB Country Offices using a management model based on results. Following this model, MIF resources will be disbursed depending on how the project is achieving its proposed goals.

Participating institutions will be responsible for the technical and administrative execution, for managing the assigned funds, for all transactions regarding MIF disbursements, for obtaining counterpart funding, and for preparing balances of the used resources during the project's execution. They are also responsible for the goods' acquisition and the hiring of necessary services for the projects, in agreement with the Bank's procedures and acquisitions policies, and the MIF policy².

The project's execution and disbursements must not exceed 12 and 18 months respectively.

² See http://www.iadb.org/mif/about_us.cfm?language=English to see a list of the MIF's member countries (France, Haiti, United Kingdom, Sweden and Switzerland have been recently added) and www.iadb.org/exr/espanol/NEGOCIOS/oporneg_adquis_proc.htm for information regarding applicable rules for acquisitions.