



Technology Commercialization Tour ESCWA Initiative

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I. Introduction

There is demonstrable evidence that science and technology-based innovation can play an efficient and effective role in promoting sustainable development and improved livelihoods of communities. The multiplier effects of productive partnerships between technology and local stakeholders to solve challenges related to sustainability and socio economic growth include employment opportunities, inclusion and higher standards of living.

UN reports and initiatives have long called for forging partnerships that promote the commercialization, at the grassroots level, of research outcomes and innovative ideas generated by formal research and development structures. Perhaps the greatest obstacle facing innovative entrepreneurs trying to launch scientific and technological innovation projects is the hesitation by potential investors to take risks and make investments at the early stages of young start-ups. Thus while venture capitalists and business angels have stepped up to support burgeoning innovators in many developed countries, in the developing world, this reluctance by investors poses a real challenge. Thus, in the Arab region, although investment has been high in education systems, there has not been comparable investment in supporting young entrepreneurs, leading to more highly educated unemployed youth.

During November 2012, ESCWA hosted a regional preparatory meeting for the Annual Ministerial Review (AMR) meeting of ECOSOC that will take place in Geneva in July 2013 on the theme of “Science, Technology, and Innovation (STI) for Sustainable Development.” This regional intergovernmental meeting discussed regional priorities and made several key recommendations. On the basis of these recommendations, the ESCWA Technology Centre (ETC) has developed a set of activities within its work programme for 2013, in coordination with other UN regional agencies using the Regional Coordination Mechanism (RCM) platform.

One of these priority activities aims at **attracting increased financing for the science and technology based productive sector in the Arab region**, with the objective of generating higher employment rates especially among educated youth and women. The program is based on the success of the “*Technology Commercialization Tour*” that ESCWA conducted with local partners in four countries during 2012.

The initiative proposes up-scaling various dimensions of the 2012 tour by covering more countries, including more organizing partners, attracting international investors, and soliciting a wider group of innovators in the industry. The initiative will also target technology suppliers and MNCs, address global markets, and target greater media involvement. The initiative will seek to induce the formulation of innovative public policies in support of the programme objectives.

II. Commercialization Tour 2012

In November 2012, the ETC organized a technology investment tour aimed at making the most of the innovative and creative potential within ESCWA countries by connecting entrepreneurs seeking licensing, partnership, finance or marketing with investors in the field of technology.

During June and July 2012, a total of 114 applications were submitted through the Commercialization Tour site www.comm-tour.com. Of these, **80** reached the prescreening phase and **53** reached the selection phase and ultimately **34** candidate deals from 4 countries and various sectors were selected to pitch to interested investors at the **4** scheduled matchmaking events. Simultaneously, a total of **17** investors from diverse backgrounds representing organizations or individuals from the region participated in the tour. The tour took place in Egypt, Jordan and Lebanon, while the Palestinian entrepreneurs were invited to Jordan.



Figure 1: Innovators making presentations to regional investors at the Lebanese Industrial Research Institute

1. Results as of 30 March 2013:

The outcomes of the first round of the commercialization tour included the conclusion of agreements between investors and innovators as per Table 1:

Table 1: Follow up reports outcomes of the 2012 activity 4 months later

Deals	Country	Investors
Invested \$250,000 with “Cook & Eat Lebanese”	Lebanon	Berytech fund, Lebanon
MOU signed with “Blue Pearl”	Lebanon	Abdel Latif Jameel Group, KSA
Partnership with “Avatar Information Technology”	Palestine	PICTI, Palestine
Signed NDA with “IPAL”	Palestine	Talal Abu-Ghazaleh organization, Jordan
Facilitated Partnership with “East Team”	Jordan	Sinbad VC and Sadara VC
Negotiations with “Ishbikne”	Palestine	MENA Apps, Jordan
Developed partnership with “Sitat Byoot”	Jordan	Abdellatif Jameel Group/ Bab Rizq Jameel social program, KSA
Negotiations with “Madfoo3atcom”	Jordan	Abdullatif Jameel Group/ Grameen-Jameel Microfinance, KSA
Negotiations with “Masmoo3”	Jordan	Abdellatif Jameel Group, KSA
Advanced negotiations with “nHanc”	Jordan	Abdul Latif Jameel Group, and STC Venture, KSA Meeting with Bader in Jeddah, KSA
New business opportunity for “Taquetna”	Jordan	MENA Apps, Jordan



2. Key Performance Indicators (KPIs)

Table 2 shows the key performance indicators set at the planning phase, and the results of the 2012 commercialization tour:

Table 2: Planned KPI vs Achieved counterparts

Planned Tour KPIs	Outcomes
Private sponsorship	<p>Co-organizers</p> <ul style="list-style-type: none"> - Licensing Executives Society- Arab Countries - El Hassan Business Park, Jordan <p>Host organizations</p> <ul style="list-style-type: none"> - Technology Innovation & Entrepreneurship Center (TIEC), Egypt - El Hassan Business Park, Jordan - Industrial Research Institute, Lebanon <p>Hosting Tour Sponsored local events</p> <ul style="list-style-type: none"> - American University of Cairo, Egypt - Talal Abu Ghazaleh Organization, Jordan - American University of Beirut, Lebanon
At least 10 investors enrolled	17 investors participated in the tour
At least 100 innovation projects qualified	114 online applications qualified
At least 10 matching cases	11 matching cases

Drawing on the lessons from the 2012 Commercialization tour, it is clear that one of the main challenges facing the region is the **lack of high-quality deal flows with the potential for scalability and growth**. Individual countries not able to achieve a “Critical Mass” in terms of deals in the field of Science and Technology, and therefore there is a clear need link regional investors to regional ventures.

Another key lesson, is the need to **link up with incubators and business centers in the region in an effort to prepare and mentor innovators towards successful matching meetings with investors**. In addition, it will be extremely important to **scale up the activity** to integrate international market potentials and invertors as a promising outlook for the regional innovation outcomes.

III. Objectives of the Proposed Commercialization Tour Initiative 2013

ETC, in partnership with UNESCO, will lead Science Awareness and Commercialization Tours in the region, and will organize technology-based national innovation forums, to facilitate the regional exchange between investors and SMEs. The tours will target innovators who are able to demonstrate innovative research outcomes and science and technology enterprises of up to 5 years in the 17 member countries of ESCWA.

The overall objectives of this commercialization tour are to:

- a. Re-orient investment towards technology and science based enterprises;
- b. Support the creation of employment opportunities for educated youth trying to “earn” based on what they “learn”;



- c. Offer economic growth opportunities in ICT and knowledge-based productive sectors especially suitable for women;
- d. Create a network of individuals, institutions, and communities involved in science based innovation across the Arab countries;
- e. Promote science based innovation activities and culture through showcasing the high interest and serious commitment of financial institutions and investors in the outcomes of scientific research and development;
- f. Create a network of investment institutions and individuals interested in science and technology based innovative products and services;
- g. Launch competitive business ventures that add value to local and regional economies;
- h. Enforce the importance of complementarity in economic development between the private and public sectors in the region, demonstrating clear bottom line advantages and win-win scenarios;
- i. Set the stage for systematic processes in innovation matching in all countries of the region, driven by an economic agenda and supported by governmental programs and incentives when possible.

IV. Commercialization Campaign Covers Arab region

The campaign to mobilize interest and applications will target organizations and institutions in ESCWA Member Countries that may have outcomes of science based research and development ready for licensing, investment or any form of commercialization, as well as existing science-based SMEs of up to 5 years of age, listed in chambers of commerce and industry. Online tools will be deployed for reaching innovators in these countries. Other features include:

1. **Marketing linkages:** Multi-National Corporations and technology suppliers are important for offering scaling up opportunities to local competitive products and services. Partnerships towards self-sustained profitable partnerships between local and international parties are of key interest to this initiative.
2. **Universities and STI inflow generators:** The tour will partner with science-based research and development institutions with products ready for licensing, investment or any form of commercialization. Bringing together research and teaching oriented centers with investors, industry and markets and offering support and know-how for successfully matching common interests is a key priority of this initiative.
3. **Hybrid Matching Venue Format:** The project will adopt a hybrid format involving investors travelling to targeted countries to meet with owners of science based innovative products and services and selected innovators to neighboring countries to meet with participating investors.



4. **Partnerships and Commitments:**

- a. **Organizers:** In addition to ETC and UNESCO and the 2012 tour partners EHBP and LES, additional co-organizers from the private sector and civil society with regional and international outreach capacity will be contacted.
- b. **Hosting:**
 - Universities (Technology Transfer offices)
 - Incubators and Science Parks
 - Research Centers
 - Chambers of Commerce and Industry
 - Others
- c. **Donors:** Investors and organizers will cover their own participation and hosting institutions will cover their daily expenses, but donor support will be needed to sponsor the participation of innovators, to organize outreach activities, secure media coverage and produce a documentary film. Among others, the following donors will be considered: World Bank, European Union, Association of Arab Banks, Science Cities, Technology Suppliers, Civil Society, Governments, and others.
- d. **Investors:** Global and regional investors will be presented with qualified ventures, selected on the basis of their ability to contribute to solving the numerous challenges facing the sustained development of communities (unemployment, water, energy, environment, food, education, ICT, and health) in 17 countries. These investors will include international and regional financing institutions, venture capitalists, business angels, investment banking, and others.
- e. **Facilitating Policies and Governments:** While the influence of committed and talented individuals cannot be underestimated in identifying new ideas and developing them into enterprises contributing towards securing dignified employment, governmental facilitating and supporting policies as well as associated services are critical for an embracing ecosystem rewarding individual and institutional entrepreneurial initiatives (tax incentives for R&D, productive investments, business registration, export and import rules, bilateral and international agreements, bankruptcy legislation and talent immigration laws, others).
- f. **Media:** It is important to disseminate and instill among the population the values of entrepreneurship and innovation. Such efforts will directly contribute to more active engagement with and indirect acceptance of the project and will also help with bringing about changes in policies. A documentary will be prepared, showcasing critical phases of the project and successful as well as disappointing deals. In addition, the film will shed light on the present landscape: frustrated talents, inadequate policies, barriers to innovation and commercialization (import and purchasing of components and raw materials, Intellectual Property Protection, export limitations, registration, bureaucracy, others). The film will also showcase the progress of projects from the 2012 tour.
- g. **Impact:** The project hopes to build on the success of the 2012 Technology Commercialization Tour by up scaling the reach and scope of the project.

Table 3: KPIs of the 2013 Technology Commercialization Tour

1. Diversified Private sponsorships and partnerships
2. At least 30 investors enrolled
3. At least 300 innovation projects qualified
4. At least 50 matching cases

Figure 2: Flowchart of regional Technology Commercialization Tour 2013

