



INFORMATION FOR DEVELOPMENT PROGRAM

infoDev Incubator Initiative

REQUEST FOR PROPOSALS

SUPPORT FOR BUSINESS INCUBATION IN DEVELOPING COUNTRIES

**** APPLICATION DEADLINE: DECEMBER 12, 2005 ****

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SECTION I – DESCRIPTION OF THE REQUEST FOR PROPOSALS

A) INTRODUCTION

Objectives and Background

infoDev has issued this Request for Proposals (RFP) for a new round of grants under its Incubator Initiative. This Initiative, which is part of *infoDev*'s broader work on Innovation and Entrepreneurship, supports a network of business incubators and similar institutions that facilitate local innovation and entrepreneurship by incubating and developing sustainable new businesses in developing countries.

This new round of grants aims to (i) address the challenges identified by business incubators during the 2004 Global Forum on Business Incubation and through regular communication with business incubators currently supported by *infoDev*, and (ii) support the development of a vibrant and sustainable global network of innovators and business incubators. In particular, this round will help to build capacity within business incubators and similar institutions that are providing services to entrepreneurs, and to share lessons on issues such as the enabling environment; policies and regulations; strengthening national, regional, and global networks; developing knowledge resources for incubator managers; collaborative work to address the financial constraints faced by entrepreneurs and new businesses; and projects that leverage the use of ICTs for fostering innovation and business support programs.

infoDev's mission is to promote the application of information and communication technologies (ICT) and the sharing of best practices for social and economic development, with a special emphasis on the needs of the poor in developing countries. Its programs and portfolio are described on its website: <http://www.infodev.org>

With support from the Government of Japan, *infoDev* launched the Incubator Initiative in 2002, aimed at fostering entrepreneurship and private sector development in developing countries. This initiative is dedicated to establishing a network of incubators to facilitate the emergence and development of ICT-enabled small and medium sized enterprises (SMEs) in developing countries. It also serves to disseminate best practices in business incubation and increase the body of knowledge on how incubators and ICT can contribute to economic and social development in poor countries. Exchange of experiences at the regional and inter-regional levels is a priority.

The key objectives of the *infoDev* Incubator Initiative are to:

- Foster cooperation among business incubators, supporting organizations, investment communities, client companies in ICT and non-ICT sectors, and the broader business and entrepreneurial communities at national and international levels.
- Raise awareness and promote closer cooperation and integration between national, regional and global activities for the promotion of ICT-enhanced business incubation as an effective engine for sustainable development
- Enhance the capacity of business incubators for the cost-effective integration of ICT as a dynamic platform and catalyst for generating higher value across the entire incubation process, and also into the creation and launching to market cycles of small enterprises.
- Promote the generation and dissemination of knowledge, toolkits and successful practices on the effective use of ICT and e-services for enhancing small enterprise incubation services, business management, innovation, competitiveness and growth.
- Build capacity in developing countries to promote ICT-enabled innovation as an engine of economic growth in an increasingly globalized economy.

Additional information about the Incubator Initiative is available at our website <http://www.infodev.org/incubator/>

Proponents and grant recipients should refer to this page regularly for updates, as additional material and information is regularly made available.

B) REQUEST FOR PROPOSALS

infoDev seeks original, creative, and cost-effective proposals, from business incubators and support organizations in developing countries. Eligible countries include developing country members of the World Bank Group.¹

The proposed activities should help build local capacity within institutions that are supporting innovation and entrepreneurship, and the development of small and medium enterprises. The activities should include the participation of the business community, raise awareness and promote the appropriation of ICT by local entrepreneurs and small

¹ A complete list of current members of the International Bank for Reconstruction and Development (IBRD) and countries eligible for IBRD financing is available at: <http://www.worldbank.org/html/extdr/regions.htm>

businesses, as tools to address their short- and long-term development goals.

1. Target Activities

Qualifying activities that could be funded by the grants include, but are not limited to, the following areas: (i) Business Incubator Operations and Assistance to Tenants; (ii) Strengthening Regional and Global Networks for Incubation and Innovation Support in Developing Countries; and (iii) Specific Challenges to Innovation:

(i) BUSINESS INCUBATOR OPERATIONS AND ASSISTANCE TO TENANTS

- ***Improve business incubation management skills*** to promote sustainability, to leverage ICT in core operations and to enable the transfer of these skills to tenants.
- ***Encourage collaboration*** between the business incubator and strategic partners such as universities both nationally and internationally.
- ***Enable business incubators to leverage local and global expertise*** through the procurement of consulting and staff services to establish, enhance or expand its business model, delivery of value-added services, including ICT-enabled services and ability to assess and respond to the needs of its tenants.
- ***Improve communication channels*** to more effectively reach out to, and attract prospective tenants and strategic partners (e.g. universities and private investors) by implementing effective networking and marketing strategies.
- ***Develop value-added services*** that: help prepare tenants for graduation from the incubators; contribute to the sustainability and success of the business incubators.
- ***Effective monitoring and evaluation of operations*** to ensure delivery of value-added services to tenants, to measure the impact of new and existing services for tenants, and to monitor the progress and sustainability of the business incubator's activities on a regular basis.

(ii) STRENGTHENING REGIONAL AND GLOBAL NETWORKS FOR INCUBATION AND INNOVATION SUPPORT IN DEVELOPING COUNTRIES. Activities that:

- Develop information and collaboration tools for incubators and other innovation-support entities to share information and knowledge more effectively and transparently, build communities of practice and collaboration, and facilitate peer-to-peer mentoring and knowledge sharing;
- Design and organize regional activities and initiatives that promote networking, collaboration and cross-learning among incubators and other innovation-support entities, as well as educational institutions;

- Promote operational cooperation and alliances among incubators and other innovation-support entities in several countries within a region and/or across regions;

(iii) SPECIFIC CHALLENGES TO INNOVATION

- ***Enabling Environment for Innovation.*** Activities that raise public and private sector awareness of the impediments faced by entrepreneurs in developing and growing ICT-enabled businesses that promote innovation and create new economic opportunities. Also included is the important role of business incubators as an effective tool for collecting and disseminating these issues to key stakeholders.
- ***Outreach: Beyond the Business Incubator's Walls.*** Activities that enable the delivery of services to entrepreneurs not located within the business incubator. Such activities could include "virtual" incubation services, as well as targeted services designed to support rural communities (e.g. micro-enterprise, grassroots innovation and cooperatives), and special needs populations including the disabled.
- ***Addressing the Financing Challenge.*** Activities that provide creative solutions for building linkages between business incubators, their tenants, financial institutions and individual investors both private and public by designing effective financial mechanisms, exit strategies and risks mitigation tools to enable investments in emerging ICT-enabled businesses in developing countries.
- ***Knowledge Management Systems.*** Activities that leverage ICT to develop robust knowledge management systems that strengthens national, regional and international networks in order to exchange best practices and lessons from business incubators and their tenants, as well as facilitates matchmaking among entrepreneurs with potential partners for collaboration and investors.
- ***Leveraging ICT.*** Activities that harness ICT to improve the operational efficiency and sustainability of the business incubator, or transform the way in which the business incubator operates and delivers value-added services to its tenants.

2. Type of Grants

- The infoDev Program will review proposals for capacity building grants for business incubators and similar institutions in developing countries, which aim to:
 - Provide technical and financial assistance to entrepreneurs and new businesses and to develop viable incubation models and processes.

- Improve operational effectiveness and efficiency, as well as capacity to deliver value-added services to clients and ensure sustainability by leveraging ICT.
- In this round, *infoDev* expects to award 15 to 20 grants, with a maximum amount per grant of US\$300,000. The size of the approved grant will reflect the nature of the proposal as described below:
 - For larger projects, (e.g. the activities listed under *Business Incubator Operations and Assistance to Tenants*, and *Strengthening Regional and Global Networks for Incubation and Innovation Support in Developing Countries*), **with a duration period of 6 to 12 months**, the grants can be expected to be on average about \$200,000.
 - For smaller projects, (e.g. the activities listed under *Specific Challenges to Innovation*), **with a duration period of 3 to 6 months**, the grants can be expected to range from \$50,000 to \$100,000.

Please note that these are indicative grant amounts and project duration periods, and that proponents should clearly outline the proposed activities and the estimated costs, for proper consideration. **Proponents may submit a proposal covering multiple activities as described above in Target Activities.** In other words, proposals can combine (whenever appropriate) activities that directly relate to Business Incubator Operations and Assistance to Tenants, with other activities that address Specific Challenges to Innovation and/or Strengthening Regional and Global Networks for Incubation and Innovation Support in Developing Countries.

3. Eligibility

Target proponents of this RFP include business incubators and similar institutions such as business development service centers, science and technology parks, universities, consortia involving the above-mentioned types of organizations, or groups and networks of existing business incubators.

- Grant proposals will be accepted and reviewed from all countries including those which have been awarded a previous grant under this Initiative.
- Higher priority will be given to business incubators and qualifying institutions partnering with others and with private or public institutions such as technology parks, small enterprise development programs, business innovation programs, venture capital funds, investor networks, financial institutions, universities, enterprise clusters, business associations and non-government organizations (NGOs).
- Lead proponents and end beneficiaries should be based in developing countries eligible for borrowing, technical assistance, or grants from the World Bank [1].

- Partnerships among several institutions are encouraged. All partner institutions must belong to a member country of the World Bank Group.
- Collaboration with institutions in different countries is possible, including organizations in developed and developing countries. **However, the primary recipient and beneficiaries should be in a developing country.**
- Proponents may be for-profit or not-for-profit organizations and must be established and based in a developing country member of the World Bank Group.
- The project should be fully executed in no more than one year.
- Incubators or similar programs applying for these Capacity Building grants should have a substantial experience in delivering support services to entrepreneurs and small businesses.

4. Operational Experience

The main proponent for the Capacity Building Grants should be an established institution legally constituted and registered, with substantial experience in delivering support services to entrepreneurs and small businesses, including the following:

- Experience in effectively integrating ICT throughout their incubator operations and within the new business development cycles of their tenants.
- Capacity to deliver Intranet and Internet based business management services, knowledge management, and electronic commerce competencies among their incubated companies.
- Experience in supporting tenant companies from conception through graduation. Experience supporting ICT-enabled tenant companies is highly desirable.

5. Counterpart funding

- Proponents should mobilize and demonstrate whether counterpart funds will be available. Counterpart and other financing arranged by the proponent organizations should be clearly indicated.
- Such counterpart funding can come from the proponents own funds, from government support, or from co-financing arranged with other partner organizations or donors.
- Partner institutions can be domestic and/or foreign institutions.
- Although in-kind contributions may be considered case by case, actual financial commitments will be normally required and will be given prior consideration.
- Endorsement letters from participating organizations should state their level of participation and their financial and/or in-kind support to the project.

6. Scope of Funding and Disbursement

- The *infoDev* grant should be considered as working capital to build institutional and human capacity to jumpstart strategic activities required to enhance the utilization of ICT and sustainable performance and operation of incubators and target clients.
- The incubator and tenant companies should not become reliant on additional *infoDev* grant funding for continued financial viability.
- The key objective of the grants in this phase is to build institutional capacity and intellectual capital for managing highly competitive business incubators and for mainstreaming ICT skills and ICT-enabled value-added services into business incubation and small business management operations.
- Qualifying categories of expenses under the grant include staff, consultants, training, project monitoring and evaluation, strategic research, knowledge generation and dissemination, and there is limited support for workshops, travel, computing infrastructure and operational costs.
- **No more than ten percent of the grant can be used for the procurement of computing hardware and software.**
- Grants will not cover costs incurred prior to contract execution. Funding will be provided in tranches based upon satisfactory completion of identified project activities and deliverables. Deliverables will be specified under a Terms of Reference as part of the grant contract to be executed, and will also include required financial and bank statements.

7. Implementation

- **All the activities under the grant should be completed within no more than twelve months of the effective date of the grant contract.**
- Grants will be executed and administered under grant agreements between the lead proponents and the World Bank, so it is expected that the lead proponent and all participating organizations already have a clearly defined framework of cooperation.
- Procurement of personnel, goods and services must follow procurement guidelines that will be provided to all *infoDev* grantees.

8. General Features

Proponent organizations should match the following features:

- Be legally registered and autonomous, or be part of an established legal entity.
- Demonstrate clearly how the grant funding will add value to the success of ongoing or planned activities.
- Confirm agreement to join and participate in the incubator network and knowledge exchange and training activities that will be

coordinated through the *infoDev* Incubator Support Center (iDISC) and the *infoDev* Incubator Initiative as a whole.

- Confirm agreement to share lessons on successes and failures with *infoDev* and accept to disseminate such knowledge from experience.
- Demonstrate good reputation in the local market, strong level of business networking and strong stakeholder support from local organizations, investors (domestic and foreign), public and private institutions and from the business community.
- Have in place accounting practices compliant with international standards.
- Have in place a system to periodically evaluate and monitor progress toward measurable objectives.
- Demonstrate that the incubator can be financially self-sustainable, or have in place a business plan for achieving financial sustainability.
- Provide a convenient physical location and a complete spectrum of quality services required for matching the needs of the target client companies.
- Show focus on client companies that have high growth potential, strong demonstration effect and clear socioeconomic development impact.
- Have a sound business recruitment framework, business performance indicators and assessment methodologies, and a clear exit strategy.

SECTION II – DESCRIPTION OF THE SUBMISSION PROCESS

C) REVIEW PROCESS AND EVALUATION CRITERIA

infoDev will accept proposals for this round until December 12, 2005. A panel of international experts will undertake the evaluation of all complete proposals. Funding will be negotiated for a successful proposal on the basis of the proposed budget and its overall review.

In ranking the proposals, the review panel will consider the evaluation criteria described below. Other factors such as geographic balance, sector diversity, overall potential development impact of the project, and the likely distribution, replicability and scalability of societal and business benefits of the activities funded through the grant will be taken into account.

We expect to notify successful proponents within 6-8 weeks of the submission deadline.

Proponents should not commit funds before a contract is executed. Awardees are expected to commence operations under the grant only after the grant agreement has been signed.

Proposal Evaluation Criteria

Quality and potential impact of the proposed program:

- Responsiveness of the proposal to the objectives of the Incubator Initiative
- Appropriateness, creativity and cost-effectiveness of the activities and approach
- Expected impact of ICT skills and ICT-enabled services on proponent's institutional development, on its portfolio of services to clients and on its operational performance in the short, mid and long term
- Portfolio of tenant and graduated companies
- Demonstration effect on the broader small enterprise community: degree to which the incubator and its client businesses serve or will serve low-income communities currently under-represented in the business sector

Operational model:

- Quality, feasibility, scalability, and sustainability of the operational strategy

- Scope, quality and effectiveness of the portfolio of services offered: proposed selection, graduation and follow-up framework for target companies
- Level of integration of ICT and e-services into operations
- Rationale and targets of the business plan, financial management and long term development strategy

Demonstrated performance, capacity and management effectiveness:

- Relevant work carried out by proponents previously in this area
- Skills and background of lead proponents and other participating organizations
- Experience in assisting small enterprise development
- Proven capacity, and effectiveness to leverage quality external resources in response to demand from client businesses
- Results of external assessments carried out on current and/or previous works
- The institutional support being provided

Partnerships and networks:

- Strength of the partnerships and management plan of the proponent incubator
- Level and scope of institutional commitment and co-financing
- Value added by proponent and participating organizations
- The networking outreach in the domestic and international business community
- Capabilities to attract partners and investments
- Potential for outreach and community development

Understanding of the key issues pertaining to business incubation:

- Identification of key barriers, issues, challenges and opportunities for current and future business incubation in the country
- Status of the business incubation environment in the country
- Identification of key social, cultural, policy, institutional, financial, technical, regulatory and managerial issues
- Strategy to integrate ICT and e-services into the incubation process and into the business cycles of target companies

Monitoring and Evaluation:

- Monitoring and knowledge dissemination methodology to be implemented throughout the project
- Assessment framework for measuring the performance and benefits of the proposed activities
- Role of ICT in project monitoring and assessment

Other Criteria include:

- Accuracy, consistency with objectives and feasibility of the budget proposed
- Likelihood of success and potential development impact of the proposed incubation approach.
- Business environment and readiness of the country to benefit from the project
- Counterpart funds and demonstrated support and involvement from key stakeholders, particularly the government, the private sector, non-profit organizations, academic and research institutions, donors and investment partners. (Support can be demonstrated by letters of commitment and memoranda of understanding).

D) HOW TO SUBMIT A PROPOSAL

Proposals should be submitted to *infoDev* no later than **December 12, 2005**, and should follow the Proposal Outline that is presented below. Interested proponents should submit only one proposal.

The proposal must be presented in English, in MS Word, Word Perfect or PDF, formatted for Windows, and **submitted electronically as a single attachment (all necessary material should be included in a single document)** by email addressed to: incubators@worldbank.org

All proponents will be notified upon receipt of their proposals. Alternatively, the Proposal may be mailed, in either of the above formats on a 3.5 inch disk or CD-ROM to:

infoDev Incubator Initiative
The World Bank
Mailstop F-5P-503
1818 H St. NW
Washington, DC 20433, United States

Important:

- To ensure that your proposal is considered and properly received, the subject line in your submission email (as well as all subsequent follow-up emails) should include the following in the order shown below:
 - ***Subject: Country name – Name of Proponent Organization – Purpose of the email (e.g. Proposal, or Attachments, or Follow-up, etc).***
 - A Sample subject line is prepared for convenience: **Subject: Bulgaria – Sofia Business Park – Proposal and Attachment.**

- Only the components requested in the Proposal Outline below will be evaluated. Any additional material, including brochures and reports that proponents wish to submit should be mailed, either in hard copy or CD-ROM, to this address and received by *infoDev* within the deadline.
- We recommend that all mailings be confirmed by email.
- In the proposal, please avoid the use of heavy logos, photos, pictures, diagrams, and any other kind of embedded graphics, which generate large files and make documents difficult to process.
- If additional information is needed during the evaluation process, *infoDev* will contact the proponents for specific clarifications.
- Further information or clarifications may be requested from *infoDev* at: **incubators@worldbank.org**

Confidentiality

The proposal will be managed confidentially and will only be circulated internally in *infoDev* and to the corresponding units within the World Bank and IFC, and to the members of the independent Review Panel. The names of all proponents and participating organizations will be listed on the *infoDev* website. All proponents will be consulted before other information is made publicly accessible.

Upon approval, an executive briefing of each grant will be prepared by *infoDev* staff and made publicly available on the web. This will also include the name and full contact information of the awardees as well as the total cost of the activity and the amount of the grant.

E) PROPOSAL OUTLINE

It is recommended that the proposal should be no more than 20 pages. The Proposal should address the issues highlighted above in this Call for Proposals and include the following sections:

1. Cover Page

Please include the following information:

- Name of the proponent organization
- Country
- Main contact person, indicating title or position
- Alternate contact
- Authorized signatory (Project Leader)for documents
- Full mailing address: Street address, city, postal code, country.
- E-mail address
- Phone numbers
- Fax numbers
- Web site of the organization

- Type of organization: Indicate whether it is a private company, government agency, university, NGO, or other (specify)
- Time of existence as business incubator, if applicable
- Date of submission of the proposal
- Total cost of project (in US dollars, US\$)
- Amounts requested from *infoDev* (US\$)
- Amount contributed by the proponent (US\$)
- Amount contributed by third parties.(US\$)

2. Participating Organizations

For the lead proponent, and each participating organization, please provide:

- Contact information
- Role and type of contribution
- Amount of cash contribution in US \$
- Estimated in-kind contribution in US \$
- Period over which contribution will be made available

The following table can be used as a format:

Contributions						
Type of Organization	Cash (US\$)	To be available (Date)	In-kind (US\$)	To be available (Date)	Total (US\$)	Percent of total cost
Proponent						
Private organizations - [Names]						
Public institutions - [Names]						
Non-profit organizations - [Names]						
Sub-totals (US\$)	US\$		US\$		US\$	

Signed letters of commitment should be provided as necessary.

3. Goal and Objectives

Provide a clear and concise statement of the main goal and the specific objectives of the project and proposed activities.

4. Executive Summary

Provide a concise summary (100–300 words) of the proposal, capturing the key elements that respond to the selection criteria. State concisely how you plan to achieve the main objectives. Describe briefly the main issues of the incubation process in your country, and the anticipated socioeconomic impact and target beneficiaries of your own business and those of the tenant and graduated companies. Explain the anticipated impact including the level of contribution to the local economy, the number of new jobs to be generated during the implementation of the operation, and other key impacts.

Please note that this section may be used later by *infoDev* to describe your project on the *infoDev* website.

5. Body of the Proposal

Provide the following components:

- *Overview*: Provide a brief description of the organization, history, founders and partners, governance, and the overall business prospects for the short, mid and long-term.
- *Incubator Facilities*: Describe the location and physical facilities and services offered to tenant companies.
- *Management team and staffing*: Summarize the management approach and strategies; provide information on staff skills and relevant experience of work on projects similar in size and complexity.
- *Incubator operational model*: Discuss the evolution of your incubator and its business model. Address the following elements: rationale of the current incubation approach; operational costs and main revenue streams; investment models and potential exit strategy for investors; business development and marketing plans; strategy to attract and methodology used to for selecting tenant companies; target sectors and type of target tenants; range of services offered to tenant companies; scope of business operation and training services; strategies to protect, value and market intellectual property of incubator and tenants; activities involved in the graduation process aimed at increasing the profitability and long-term sustainability of tenant companies; follow-up and post-graduation activities undertaken with former tenants.
- *ICT strategy*: Characteristics and role of ICT in the current incubation process. Scope of ICT and business training, and the incubator's strategy towards building capacity and competitiveness through ICT.

- *Overall business strategy:* This key section should provide details on the organization's vision, goals, challenges and opportunities. It should summarize the results of the most recent feasibility and market research studies for the operation. Describe the main success factors and risks, and results of any SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis that has been carried out. Describe the strategic opportunities, and the level of competition for incubator and tenant companies.
- *Training:* Describe the training activities (undertaken, planned, or needed) and that of your tenant companies. What are some of the areas that your organization plans to improve upon? Describe special programs that can be considered or are in place to address these needs.
- *Networking and marketing services:* Describe the scope, frequency, and results of networking activities such as business meetings, conferences, seminars, and workshops. Level of dialogue and collaboration with other SME development programs, government agencies, business and consumer associations, industry clusters, multilateral agencies, financial institutions, suppliers, trade agencies and chambers of commerce.
- *Portfolio and networking:* Provide summarized information on tenant and graduated companies. infoDev may ask for details and contact information at a later stage. References may be provided.
- *Financial:* Summarize financial statements and cash flow for at least the last three years and the projections for the next two years.

6. Project Administration

Discuss clearly the management issues critical to successful project implementation, and how they will be addressed. Issues important in many infoDev projects include:

- Accounting and financial management
- Risk management approach and planning
- Competitive processes to ensure open, transparent, and merit-based selection of staff, contractors, tenants, or participants in training and conferences.
- Administration arrangements to ensure monitoring of progress and performance
- Communication strategy to approach the business community, other partners, the donors, and the public.

7. Target Activities

Qualifying activities that could be funded by the grants include, but are not limited to, the following areas: (i) Business Incubator Operations and Assistance to Tenants; (ii) Strengthening Regional and Global Networks for Incubation and Innovation Support in Developing Countries; and (iii) Specific Challenges to Innovation:

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(ii) STRENGTHENING REGIONAL AND GLOBAL NETWORKS FOR INCUBATION AND INNOVATION SUPPORT IN DEVELOPING COUNTRIES. Activities that:

- Develop information and collaboration tools for incubators and other innovation-support entities to share information and knowledge more effectively and transparently, build communities of practice and collaboration, and facilitate peer-to-peer mentoring and knowledge sharing;
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(iii) SPECIFIC CHALLENGES TO INNOVATION

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- ***Leveraging ICT.*** Activities that harness ICT to improve the operational efficiency and sustainability of the business incubator, or transform the way in which the business incubator operates and delivers value-added services to its tenants.

8. Deliverables

Proponents should provide a sequential list of milestones and a full description of the corresponding reports or deliverables to be submitted to infoDev upon the completion of each activity.

- Each deliverable should mark and account for the completion of specific project activities and the achievement of concrete milestones. Activities, milestones and deliverables are incorporated into the grant agreement.
- Clearly describe an appropriate set of deliverables of the project, which will be submitted to infoDev (for example "evaluation of services and usability of website constructed", or "information services network developed and operational").

- Provide an action (activities) and implementation (timeframe) plan. This should include the timeline, start and completion dates of activities, estimated costs, executor and expected deliverables of each one of the activities proposed. The deliverables should reflect the progress achieved throughout the implementation of the grant.

The following set of reports is illustrative of the deliverables that are expected for the grant funded activities:

- **Project Inception report:** outlining the terms of reference of a complete project implementation plan, describing specific objectives, and activities, project management and team structure, job descriptions and biographies of key staff, milestones, timeline, detailed budget, evaluation plan with target outcomes and measurable outputs.
- **Quarterly Reports:** These are brief reports to be presented to *infoDev* at the end of every quarter. They should describe the progress achieved during that quarter, lessons learned, and quarterly financial statements of the project.
- **Evaluation Reports:** They refer to the results of periodic monitoring and evaluation exercises carried out on the project as a whole or on specific project activities, such as training, business management services, financial performance of the incubator or client companies, ICT infrastructure and e-service deployment.
- **Final Report,** that consolidates the key achievements, lessons learned, practices, the revised operational and business model, summary of findings, review and analysis of the portfolio, final evaluation report, and incubator's long term strategy to keep or self-sustainability.
- **Audit Report:** an audit report needs to be submitted at the end of the project. This report certifies that all funds have been used according to the provisions of the grant agreement.

9. Budget and Budget Provisions

The proposals should itemize the distribution of *infoDev* funds per categories of expense and provide justification for the main cost categories under Services, Materials, Travel, and Other Costs. All budgeted items must be directly related to activities. Where counterpart or additional funding is provided, it should be clearly indicated.

The proposal should provide both a budget summary and a detailed budget, stating in separate columns the extent of cost sharing arrangements and budget justifications.

The budget table may be prepared as part of the proposal document or using a separate spreadsheet, which should be attached to the proposal. Within the same table and in separate columns, please provide amounts

for expenses funded by *infoDev*, those funded by other sources and those funded by the proponent organization. Provide a budget line item for the audit of the proposed project, as that is a requirement for all *infoDev* grant agreements.

Please be aware of the following restrictions that will apply to grant funds:

- **The grant cannot be used to pay any taxes** levied by or in the territory of the proponent or to pay for any expenditures in any country which is not a member of the IBRD. As such, it is important to understand that any staff or consultant expenses that are budgeted for the project should be estimated net of taxes, and that counterpart funds should be available to cover the remainder of such costs.
- **Grant funds are not to be used to pay for salaries of government officials or public servants.**
- **No more than 10 percent of the grant should be used for computing equipment and software.** Funding will be limited for items such as hardware and software, travel, and overheads. *infoDev* is not likely to approve projects where a major portion of grant funds are used for equipment and overheads.
- Each main line should be justified properly with an explanatory note. For instance, personnel cost lines should indicate number of staff, seniority, and cost travel costs should provide details and purpose, and should be budgeted in economy class. Certain expenses will need to be pre-approved by the Task Manager appointed by *infoDev* for each approved grant.
- Upon completion of the project, an independent audit will be required and the final audit report should be submitted to *infoDev*. The budget should include funding for this audit.

A sample budget table is presented below (see Annex below).

10. Evaluation Plan

Define indicators for the evaluation of each activity to be implemented, specifying how these indicators will be measured, the frequency, what is the level of participation of the end beneficiaries, and when the evaluation results will be reported.

The evaluation plan should specify the budget and allocation of responsibilities for monitoring and evaluation activities as well as the timeline.

11. Knowledge Generation and Dissemination

The program encourages proponents to allocate a limited amount of grant resources to establish a project website as a platform for sharing

project information. The proposal should outline the strategies for generating and sharing lessons within the community in the country and internationally, including through *infoDev*.

12. Endorsement by Government

- Before a grant agreement is finalized, *infoDev* is required to seek the approval of the country's World Bank office.
- Therefore, we recommend that proponents seek an endorsement letter/no-objection letter from their government in the territory where their incubator operates and if possible, submit the letter with their proposal. If such letter is not obtained by the submission deadline, the proponent should indicate in their proposal when the letter will be received and submitted to *infoDev*.
- An endorsement/no objection letter is typically obtained from the World Bank's counterpart government agency (usually the Ministry of Finance, or Planning Ministry in charge of economic development, or information and communication technology or the Ministry for Small Enterprise Development, as appropriate) and helps to facilitate the approval process by the country's World Bank office.

13. Intellectual Property

Consistent with *infoDev*'s objectives to enhance and disseminate knowledge and encourage easy replication of successful projects, *infoDev* retains ownership of all project deliverables (including any intellectual property in such deliverables) funded by it, and may place such deliverables in the public domain. The proponent must recognize and agree with this objective of knowledge sharing and dissemination through *infoDev*.

To the extent that there is any intellectual property previously developed by the proponent or by third parties, such previously developed intellectual property should be clearly identified in the proposal.

14. Appendices

If you find it more convenient to prepare the budget table in a separate spreadsheet, please send it as an attachment. Please note that the evaluators will be primarily reviewing the proposal and the budget. Other attachments and appendices may or may not be reviewed. Letters of endorsement, statements of cofinancing and counterpart commitment, and operational agreements with participating organizations might be requested by *infoDev*.

F. ANNEX

Sample Budget Table

	Total Project cost (US\$)	Sources of Funding (US\$) ***			
		infoDev	Partner 1	Partner 2	Others
Cost Categories **					
Personnel / Staff Costs					
Consulting Services					
Travel **					
Workshops					
Knowledge Dissemination					
Office supplies / materials					
Connectivity, website					
Assistance to tenant companies					
Equipment (computers, etc.)					
Other (including audit, overheads, etc).					
Total (US\$)					

[1] The most recent list of current members of the International Bank for Reconstruction and Development (IBRD) and countries eligible for IBRD financing is available at Appendix 2 of the document available at: <http://www.worldbank.org/annualreport/2002/pdf/IBRDAppendixes.pdf>

** Explain ALL costs. The rationale and justification for these costs are important, and these should be directly related to the proposed activities in the main proposal. Each main line should be justified properly with an explanatory note.

Several restrictions apply to travel funded with grant funds. Limited funding can be included for air travel and costs should be based on economy class.

No more than 10 percent of the grant should be used for computing equipment and software.

*** Indicate name of partnering organization and the amounts of contribution to the project. Please list all contributing organizations.