

WESTERN BALKANS REGIONAL R&D STRATEGY FOR INNOVATION

TECHNOLOGY TRANSFER PROGRAM

From labs to market

The impact of publicly funded research on innovation and economic development in the countries of the Western Balkans remains very limited. One barrier is the lack of links between research institutions and the private sector in most of the region. In addition, the development of supportive intermediation services and infrastructure for technology transfer, which are generally only in their initial stages, differs widely across countries.

According to the Survey on Research Infrastructure and Technology Transfer conducted by the World Bank, only 16 entities (26 percent of total responding firms; 18 percent of the total surveyed) stated that they have a technology transfer unit. All these units are quite young (less than 10 years old), and the funding allocated for their activities is quite limited (less than €50,000 per year). The lack of management skills for technology transfer between research and industry is also a serious handicap.

Objective To make better use of the knowledge base for regional economic development through more extensive research-industry collaboration, marketable research, and value creation. The regional Technology Transfer Program will facilitate knowledge transfer from research to industry and spur new business potential by assisting research institutions in the deployment of technology transfer capabilities and the management and economic valorization of the regional research pool. It will complement ongoing initiatives in the area and look for formal interaction and synergies to enhance the transfer of knowledge and technology from research institutions to industry in the region.

Description The Technology Transfer Program will undertake three types of activities: (1) technical assistance to national technology transfer organizations, including help in creating them when needed; (2) matching grants for research-industry collaboration; and (3) advisory services and cofinancing for the development of science and technology parks.

- ▶ *Technical assistance activities* include training in technology transfer management, mentoring technology transfer activities, and transplanting best practices, including assistance in the creation and management of intellectual property rights (licensing and spin-offs, for example). Activities will be supported as part of a broader, medium-term capacity building plan to be agreed on with the program. Financial commitments from beneficiary entities are expected. An initial grant to establish the office and to make investments in intellectual property may be considered.
- ▶ *Matching grants for research-industry collaboration* will provide up to 50 percent of the funds needed for the joint research. (Alternatively, a maximum of 25 percent would be provided by the program with the additional 25 percent coming from the local governments.) The private sector will provide the remaining 50 percent. Applicants can come from either the academic or the business sector. The support provided by the program will be a maximum of €200,000 for a period of two years.

The Joint Statement of the Ministerial Conference — held in Sarajevo 2009 — expressed the interest of the region in developing a joint strategy on research and innovation.

The World Bank and the European Commission in September 2011 signed an agreement to support the development of the strategy. The technical assistance is financed with EUR 1,5 million through a Multi-Beneficiary Instrument of Pre-Accession Assistance (IPA).

The Western Balkans can promote research-industry collaboration and technology transfer by:

- ▶ Improving the incentive regime for collaboration between research institutes and the private sector
- ▶ Providing “soft” support for collaboration and technology transfer
- ▶ Rationalizing access to and enhancing the performance of science industry and technology parks and incubators

- ▶ *Technology parks for research-industry collaboration* will help governments identify the need for the technology park, develop its design, select its management, and supervise and monitor its implementation. When needed, cofinancing for the investment may be provided. The program will also assist in the restructuring of existing science and technology parks for better performance.

Other mechanisms for financing the collaboration between research and industry may be considered based on demand and the experience with the proposed activities. These include a matching grant to foster business sector demand for knowledge services and an entrepreneurship program targeting young scientists and engineers.

Governance The Supervisory Board of the WISE Facility will be responsible for supervising and guiding the operations of the program. The WISE Facility will prepare a detailed operational manual and guidelines, design the calls for proposals, and conduct monitoring and evaluation. The WISE Supervisory Board will appoint an Approval Committee, with a maximum of five persons, composed of members of the regional and international scientific community and the private sector; individuals will serve for a limited period of time (two years, for example). The Approval Committee will have final responsibility for project selection.

Operational procedures Implementation and supervision of projects will be handled at the national level through a national partner organization to be appointed by the corresponding government. In collaboration with the NPOs/PIUs, the WISE Facility will issue a regional call for proposals. The AC will select the project proposals through a public, transparent, and cost-effective process based on the recommendations of an international peer review panel appointed for the specific call for proposals and following standard international best practices for the selection of scientific research projects, in line with the general and program-specific funding objectives.

The operational manual for the research funds and the guidelines for the operation of each sub-program will provide the details of their functioning. Procedures will be established based on, among others, the experience of the World Intellectual Property Organization, the Association of European Science and Technology Transfer Professionals, and the EC-Joint Research Center's Technology Transfer Circle.



EXPECTED OUTPUTS

- ▶ 10 Technology Transfer organizations developed
- ▶ Staff trained
- ▶ 100 joint projects between research and industry supported
- ▶ 3 technology parks restructured
- ▶ 3 new parks created

EXPECTED OUTCOMES

- ▶ Research-industry collaboration increased as indicated by the rise in research organizations' share of income coming from the business sector (through technical consultancy, training, contract research, and joint research)
- ▶ Larger (triadic) patenting activity by Western Balkan countries
- ▶ Technology licensing from the academy to the business sector and spin-off companies increased
- ▶ Firms' graduation from technology parks increased

ESTIMATED COST

- ▶ Technical Assistance — € 10 million
- ▶ Matching Grants for Research-Industry Collaboration — € 20 million
- ▶ Technology Parks — € 10 million

Total Cost — € 40 million



THE WORLD BANK



Regional Cooperation Council