



USAID
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**THE
COMPETITIVENESS
PROJECT**

Innovation Center



May 19, 2010

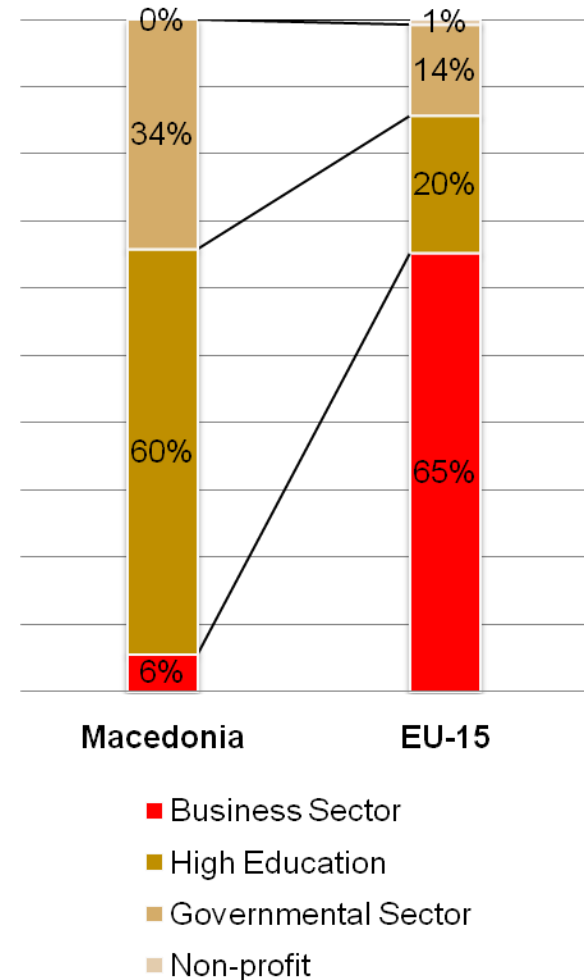
The Big Picture

Market-driven Innovation is a key contributor to a country's **economic competitiveness**.

But Macedonia lags because:

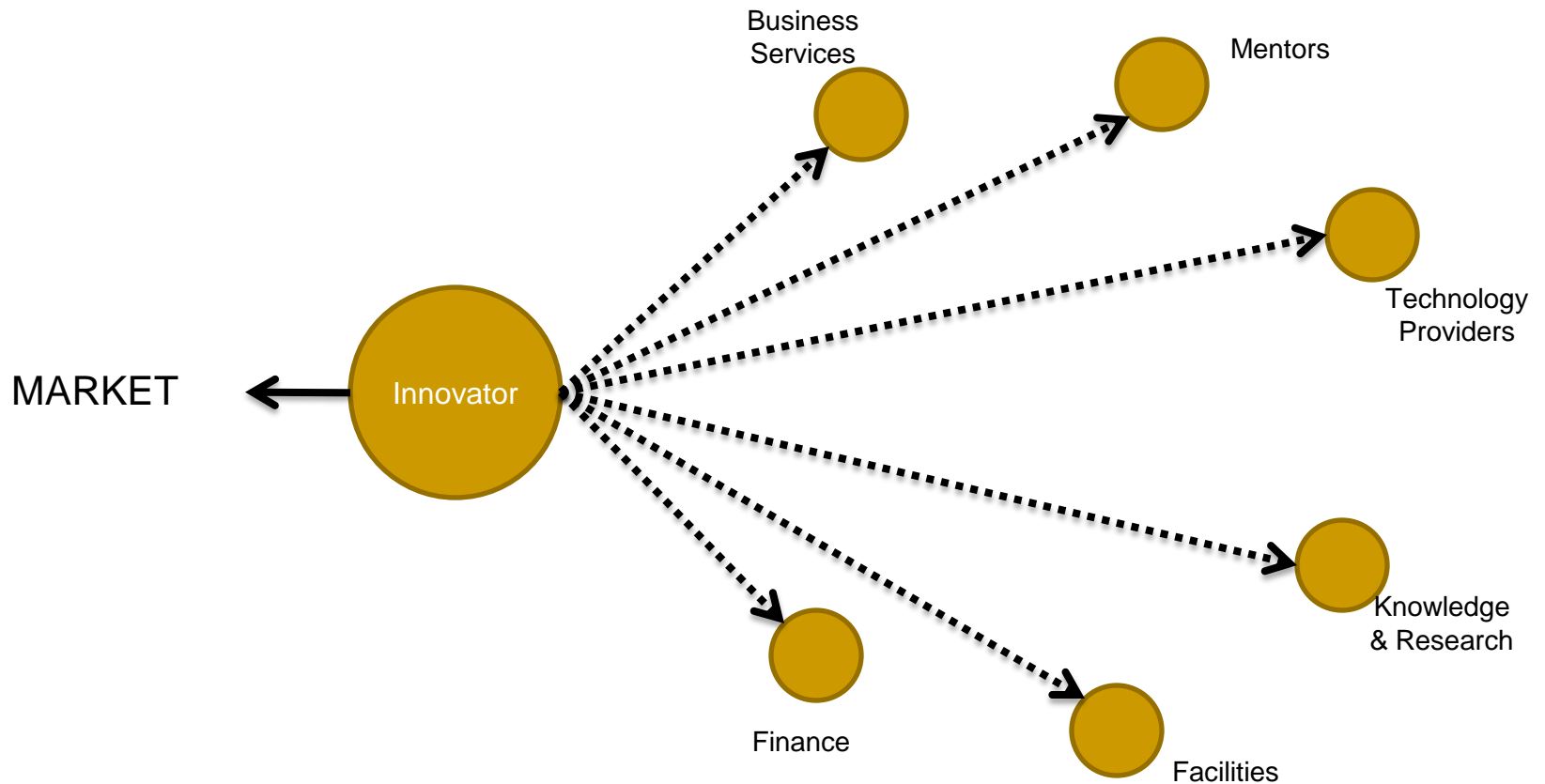
1. 7.8x less total investment in R&D compared to EU-15
2. Most R&D is academic; 10x less private sector participation
3. Lack of a coherent, market-driven innovation ecosystem for the adoption, creation and commercialization of new technology solutions

R&D Expenditure by Sector



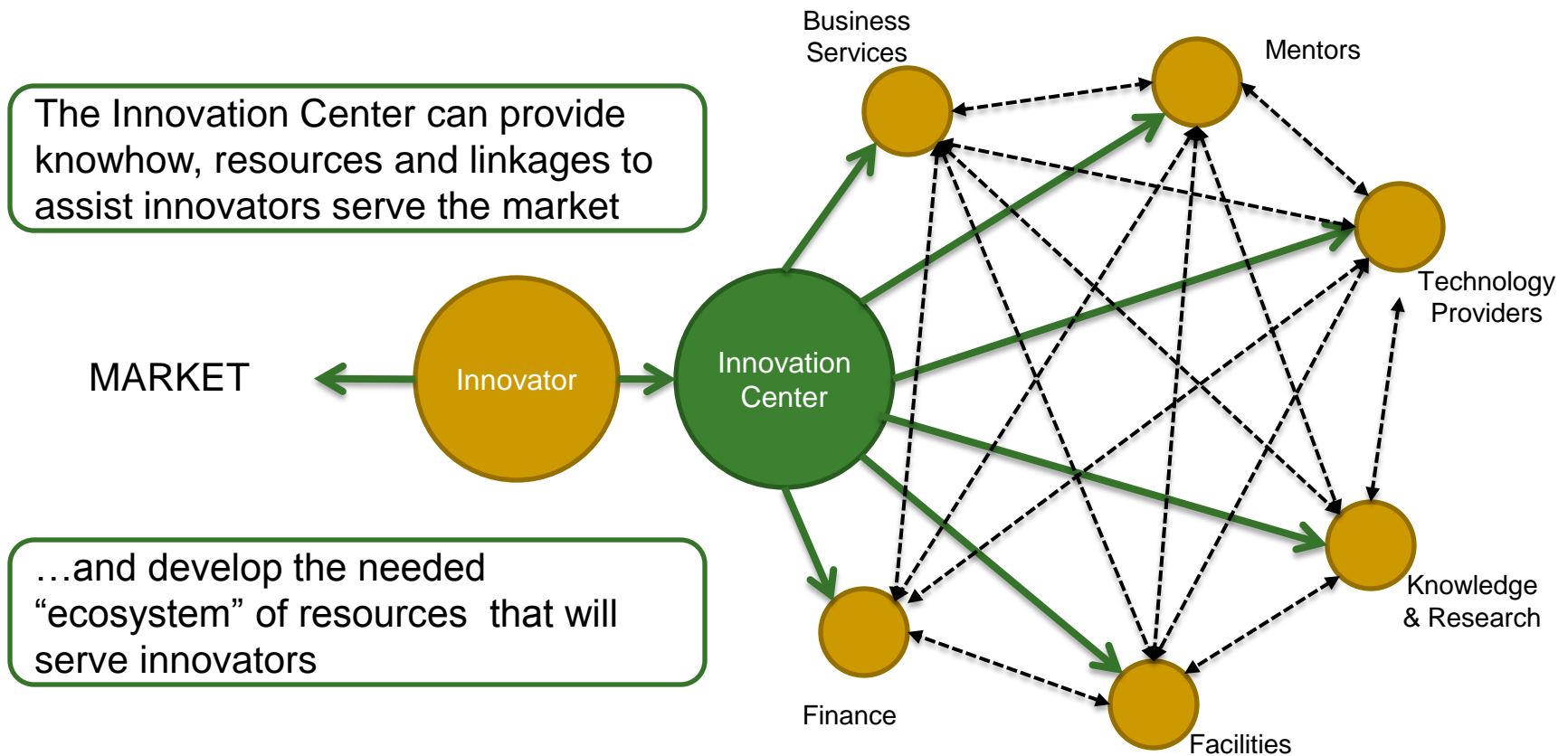
Innovation Center Objectives

Lack of market orientation, knowhow and stakeholder collaboration increases time-to-market and limits the realization of benefits to innovators...



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Core Functions

SUPPORT INNOVATORS

1. **Identify and attract a pipeline of proposals** from individuals and companies looking for support to adopt innovations, create new products or services, or commercialize existing innovations.
2. **Provide services to assist entrepreneurs or innovators** with viable, high potential projects to properly conceptualize, plan, resource and manage the full lifecycle of the innovation development process (e.g. concept, R&D, prototyping, testing, packaging, financing and marketing) with the ultimate aim of commercial success.
3. **Build the capacity of entrepreneurs and innovators** to enhance the success of their business innovative ventures, such as venture development and entrepreneurship coaching and training
4. **Link innovators to knowledge, technology and financial resources** and support the commercial development and delivery of these resources; act as a facilitator or matchmaker

Core Functions

CREATE AN INNOVATION “ECOSYSTEM”

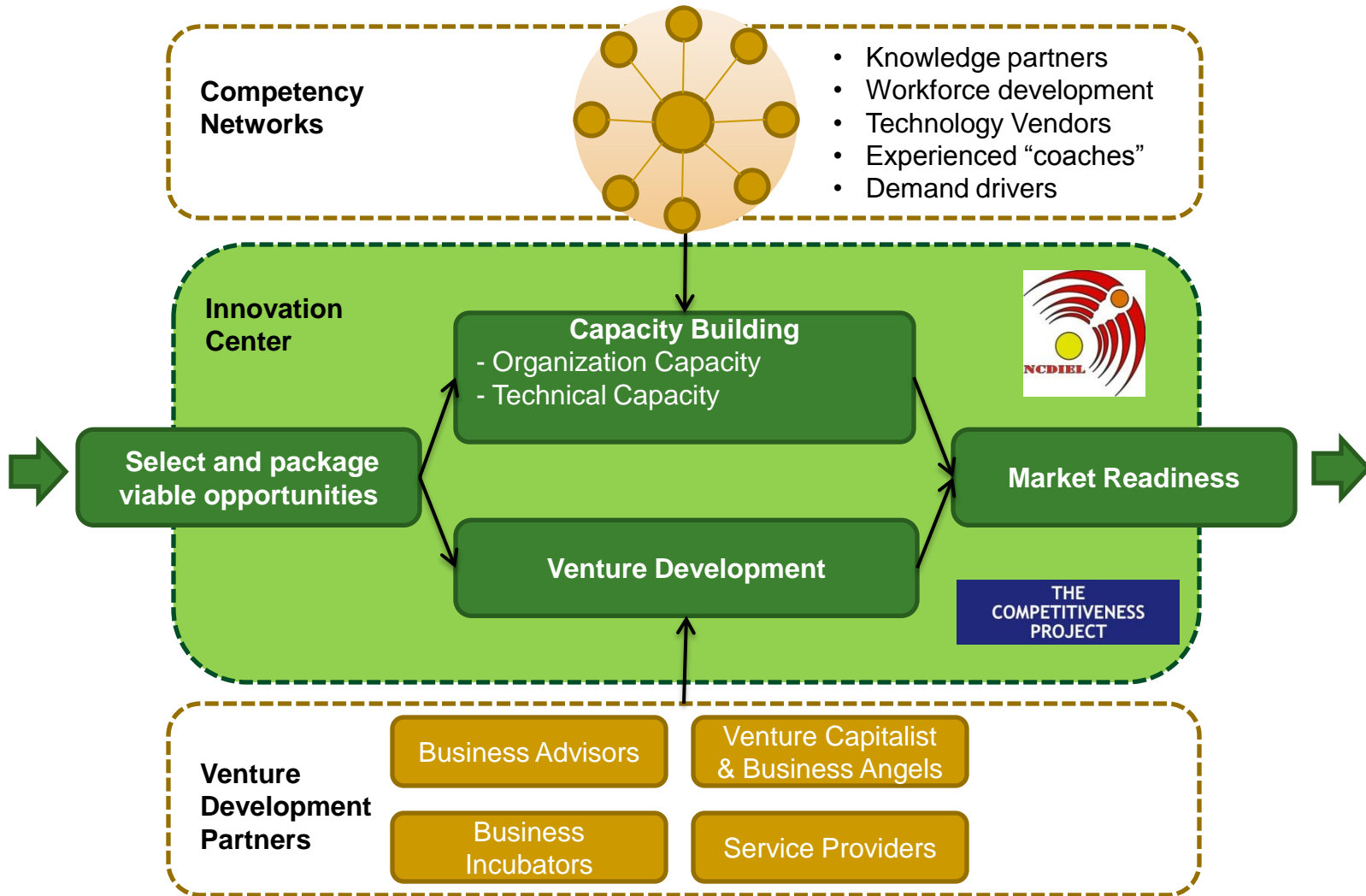
1. **Identify service providers and resources** within and outside Macedonia able to support entrepreneurs or innovators across multiple technical disciplines or competencies.
2. **Create a framework to match innovators with the right service providers** and resources needed throughout the innovation life cycle
3. **Create a framework to leverage the knowledge and resources of the Network** to effectively support the adoption, creation and commercialization of innovation
4. **Selectively build the capacity of service providers** in the ecosystem.

Core Functions

Facilitate Innovation Finance

1. **Establish Innovation Fund** with seed funding from USAID and other parties
2. **Pre-seed capital (less than \$10,000)** – Offering small amounts of funding (no more than \$10,000) that could be used by an entrepreneur to pay for a variety of business services needed to transform an innovative concept to reality.
3. **Early- stage financing (more than \$10,000)** - Providing early-stage and venture financing for high potential and innovative investment business proposals on debt, mezzanine, equity and/or quasi-equity basis
4. **Engage venture capital partners** for investments in scaling up and longer term commercialization of innovation.
5. **Develop links or establish business angel networks** to provide innovators access to a wide range of private investors who would provide seed capital in cases where traditional forms of financing are not available.

Implementation Framework



Core Functions

Where we are now and next steps

1. Teaming with National Center for Development of Innovation and Entrepreneurial Learning as part of sustainability plan
2. Official Launch in June 2010
3. Initial innovation projects already initial selection
4. Planned early efforts to establish competency networks in ICT, green technologies and agriculture.