

Technical Cooperation Document

I. BASIC INFORMATION

▪ Country/Region:	Regional
▪ TC Name:	Building an Innovation and Entrepreneurship Ecosystem for the Pacific Alliance
▪ TC Number:	RG-T2683
▪ Team Leader/Members:	Juan Carlos Navarro (IFD/CTI), Team Leader; Adrian Magendzo, Daniel Insulza and Blanca Torrico (IFD/CTI); Luciana Garcia Nores and Carolyn Robert (INT/INT); and Juan Carlos Perez-Segnini (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Date of TC Abstract authorization:	July 7 th , 2015
▪ Beneficiary:	Chile, Colombia, Mexico and Peru
▪ Executing Agency and contact name:	Inter-American Development Bank (IDB), through the Competitiveness and Innovation Division (IFD/CTI)
▪ Donors providing funding:	Regional Public Goods (RPG)
▪ IDB Funding Requested:	US\$700,000
▪ Local counterpart funding, if any:	US\$210,000
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	November 6, 2015
▪ Types of consultants:	Firm and individual consultants
▪ Prepared by Unit:	Competitiveness and Innovation Division (IFD/CTI)
▪ Unit of Disbursement Responsibility:	IFD
▪ TC Included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ GCI-9 Sector Priority:	Competitive Regional and Global Integration

II. OBJECTIVES AND JUSTIFICATION

- 2.1 There is a consensus among economists about the importance of innovation as an engine for competitiveness and growing economies. The governments' tendency has been to focus on enabling "inputs" required for innovation and entrepreneurship ecosystems, such as Research and Development (R&D) venture financing, seed capital funds, human capital training, among others. Evidence shows that innovation and entrepreneurship ecosystems are not only built providing such factors, but also require a proper regulatory environment, and the exposure of companies to relevant markets where there is extensive freedom of movement of goods, services, and human and financial capital which allows them to be allocated where they are most productive. Along with these factors and with equal importance, innovators and entrepreneurs require an environment that facilitates interactions between different actors within the system (entrepreneurs, inventors, government agents, etc.) resulting in the formation of dense networks of business interactions which will set the allocated inputs in motion and give life to the innovation ecosystem.¹
- 2.2 The Pacific Alliance (AP) is an initiative of regional integration between Chile, Colombia, Mexico and Peru.² The goal of the AP is the formation of an economic bloc of countries with open economies, similar development models and

¹ Hwang Victor, "The Rainforest: The Secret to Building the Next Silicon Valley Paperback" – February 21, 2012.

² <https://alianzapacifico.net/en/>

democratic governments, with an emphasis on fostering trade and economic relations with Asia and within the region. It has been defined as a pragmatic integration initiative without political bias and with the aim of creating a spacious zone for free movement of goods, services, people and capital. The AP thus, constitutes the eighth largest economy in the world with more than 210 million inhabitants, 40% of gross domestic product, 50% of trade, and 40% of the foreign direct investment in Latin America.

- 2.3 Business interactions between a number of actors within an innovation and entrepreneurship ecosystem are facilitated by an environment of trust, and cultural and language compatibility, which are assets that can be leveraged by the AP countries. The AP provides the right environment, which as a whole, has greater potential for the development of an innovation and entrepreneurship ecosystem than the sum of the capacities of each individual country. Examples of this are the large market with sufficient critical mass that justifies initial R&D expenditures, human, financial and physical resources with cultural and language affinity that stimulates interactions and business development and similar stages of economic and innovation development.³
- 2.4 In 2011, the High Level Committee of the AP (GAN for its Spanish acronym) created a number of technical groups in charge of moving forward a series of strategic initiatives in relevant areas within strategic interests of the AP. The groups, which have been already constituted (trade and integration, institutional matters, and cooperation) have defined and are executing specific activities relevant to each particular group. In 2013, the GAN mandated the creation of the Innovation Technical Committee (GTI) represented by relevant government officials of each country, with the goal of defining a set of strategies and designing and implementing an agenda of activities that will lead to the creation of an AP Innovation and Entrepreneurship Ecosystem. The GTI has defined five strategic pillars of action to concentrate its efforts to develop an AP IEE: (i) Support to associative human capital development and training; (ii) Support to the development of a culture and mindset; (iii) Support to technology and knowledge transfer; (iv) Financing, and (v) Proposals of regulatory frameworks to foster innovation and entrepreneurship at a regional level.
- 2.5 A characteristic of Innovation-intensive industries is that companies usually face higher average costs than marginal costs due to high initial investments in R&D. Therefore, they require access to large commercial markets that will justify the initial investments. The promotion of policies that will foster a common innovation and entrepreneurship ecosystem within the AP will permit a more diverse network of business interactions allowing the expansion of innovative companies and start-ups beyond their local markets. Over the past decade, countries of the AP have made significant efforts towards building local innovation and entrepreneurship ecosystems, but these effort are likely to be constrained by the size and depth of their individual markets. The AP has a potential for the creation of larger markets by facilitating cooperation in areas such as the free flow of human capital, goods,

³ As of this year, the largest regional commercial alliance in history has been negotiated between 12 countries and it is near its conclusion. The TPP (Trans Pacific Partnership) is a sophisticated commercial alliance that represents 50% of world GDP and not only includes the typical trade provisions but also includes high level demanding 21st century provisions in terms of intellectual property protection and innovation, which further adds relevance to the present technical cooperation project. It is interesting to note that out of the four countries of the AP, three of them, Mexico, Chile and Peru are founding members of TPP.

services and capital. The AP constitutes a natural environment for the formation of an integrated innovation ecosystem where markets can be expanded, economies of scale become easier to achieve a larger pool of specialized human capital, innovation becomes available and investor networks are amplified. Having access to a larger pool of resources, as well as the ability to allocate them more efficiently, should allow the AP countries to build an innovation and entrepreneurship ecosystem that is more robust than each national system considered individually.

- 2.6 The development of an innovation and entrepreneurship ecosystem requires the support in three main dimensions: (i) **train**, a set of training programs is normally required with the aim of building capacities of relevant actors of the ecosystem and promote the transfer of experience and knowledge; (ii) **interact**, as mentioned in paragraph 2.3, facilitating interactions between relevant actors is a key factor for the development of an ecosystem, creating the necessary space for innovators, entrepreneurs, companies and institutions to interact and explore new opportunities and partnerships; and (iii) **institutional support**, along with the training and interaction activities, a special effort is needed in order to strengthen intermediate institutions, whose role is to support innovators and entrepreneurs in the execution of their projects; examples of these institutions are business accelerators, angel investor's networks, venture capital funds, and technology transfer offices. Furthermore, a special emphasis is placed on the integration and strengthening of a regional regulatory framework. Governments face the challenge of defining policies and solutions that can protect the public's interest as well as stay flexible enough to keep up with innovation. For the AP it becomes imperative to integrate the regulatory frameworks of its members in order to facilitate innovation process regionally in all three countries. The components of this project are organized in a way that closely follows the training, interactions and institutional support framework.
- 2.7 The AP has requested the Bank to act as a coordinator of their efforts in order to create an integrated regional innovation ecosystem. There are several other initiatives currently underway that can have a direct impact on entrepreneurship and innovation in the AP, examples of these are:
- (i) RG-M1270 where the Multilateral Investment Fund (MIF) is currently working alongside ASELA⁴ (Asociación de Emprendedores de Latino América) and local government bodies together with other divisions from the Bank, on an initiative designed to improve the networks and resources available for entrepreneurs and innovators. This Technical Cooperation (TC) complements RG-M1270's work, by leveraging on Asela's networks of entrepreneurs for regional integration between entrepreneurs and with other relevant actors of the ecosystem. (government officials, intermediaries, investors, scientists, etc.),
 - (ii) RG-M1291, another MIF initiative, that will help establish a seed and venture capital fund, which will provide smart money to companies in the countries of the AP leveraging the synergies that are taking place within the framework of

⁴ ASELA is a regional network of entrepreneur associations that represent the interest of entrepreneurs in each of the Pacific Alliance Countries and other countries in LAC. The role of entrepreneurs in an ecosystem tends to be often reduced as they are hardly represented due to their lack of organization. ASELA will cooperate with this project as it will be able to convene and help with the execution of a series of activities that are oriented toward entrepreneurs that otherwise would be hard to group.

the AP. This TC has a very important component in training and human capital formation that will make available for the MIF initiative a supply of trained entrepreneurs assuring a better quality deal flow for investors which is a key factor for the success of a seed capital or early stage venture capital fund.

- (iii) RG-T2593 aims to develop a short term agenda of activities aimed towards the establishment of initial enabling networks and institutions for the formation of a regional ecosystem, this TC will leverage on those formed networks and institutions to further train and foster the required interactions between the different relevant actors that need to be available for the ecosystem formation.
- (iv) RG-T2085 has the goal of promoting greater competitiveness and economic growth of the AP economies, as well as expand its economic relations with Asia Pacific and become a commercial platform between Latin America and Asia. In the field of innovation and entrepreneurship, RG-T2085 has led to the creation of different events and fora such as the LAB4, which is held once a year in a different AP country. This TC will take advantage of the already created platforms and utilize them to promote interactions between stakeholders to strengthen their regional networks.

- 2.8 Additionally, there are a series of initiatives that foster the formation of national ecosystems that are being executed in each country. Many of them supported by the public sector as part of the national innovation strategy and others by the private sector through individual companies or through nonprofit organizations. This TC will expand on those local initiatives aligned with the TC's objectives and give them a regional dimension leveraging local efforts for regional impact.
- 2.9 In this sense, the overall objective of this TC is to support the AP countries in the design and execution of an agenda of activities towards the construction and strengthening of an Innovation and Entrepreneurship Ecosystem within the AP countries. As a result of this TC, the AP countries will have established the building blocks necessary for the development of a regional innovation and entrepreneurship ecosystem.
- 2.10 This TC will contribute to lending program priority of the Ninth General Capital Increase in the Resources of the Inter-American Development Bank (AB-2764) (GCI-9): lending to support regional cooperation and integration as it will strengthen and facilitate a regionally more balanced regional innovation system, initiative by investing on the Pacific Alliance, a regional trade bloc focused on the integration of its member countries. It also goes beyond the Bank's traditional agenda by supporting the development of a regional ecosystem, a new concept that involves deeper integration of markets and the exchanging of human capital, and public goods and services. It is also aligned with the Bank's Country Strategies.⁵ Furthermore, a stronger institutional framework for innovation policies will encourage productivity growth contributing to the Bank's Sector Strategy Institutions for Growth and Social Welfare (GN-2791). Finally, the program is also

⁵ IDB Country Strategy (CS) with Chile: (i) productive development and competitiveness; (ii) human capital development; and (iii) regional development. IDB-CS with Colombia: stimulate innovation of businesses. IDB-CS with Mexico: building capacity for innovation and business entrepreneurship. IDB-CS with Peru: (i) improve the economy's capacity to incorporate innovation as a key element in productivity growth, by managing tools of business innovation policy, and promoting scientific and technological research; and (ii) support the definition of a new institutional arrangement and the implementation of three priority support instruments (clusters, productive chains, and technical assistance to firms).

aligned with the priorities defined in the Innovation, Science and Technology Sector Framework Document (GN-2791-3) and the Regional Public Goods (RPG) framework by assisting in the generation of a regional innovation ecosystem. This regional focus provides an added value over the 4 local innovation systems that are in line with RPG Fund's main objectives..

III. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 3.1 **Component 1: Human capital and culture development (US\$150,000).** This component focuses on the Learning aspect of an ecosystem development and it aims at strengthening human capital for innovation and entrepreneurship as well as creating a more favorable image and attitude towards innovation and entrepreneurship at the regional level. The main activities of this component are: (a) **training.** Support the organization of seminars, courses, forums and events designed to strengthen human capital and knowledge transfer with a regional perspective. This component is expected to support the design and implementation of training programs on innovation management and entrepreneurship where participants from different AP countries will be able to interact with each other in a learning environment; and (b) **competitions, awards and promotion of role models.** These events will present the opportunity to share successful innovation and entrepreneurship experiences and create more exposure for innovation and entrepreneurship activities, in order to strengthen a regional innovation culture. A yearly Pacific Alliance Innovation and Entrepreneurship award will be granted to those innovators and entrepreneurs that had a significant regional impact in terms of their innovations or entrepreneurial efforts. These competitions⁶ will be executed as a means to enhance the dissemination of innovation role models.
- 3.2 **Component 2: Strengthening of Regional Networks (US\$180,000).** Focused on the key area of Interacting, the objective of this component is to develop relevant regional networks and execute activities to stimulate and improve interactions between different stakeholders within the networks. This component is based on the idea that integrating and proactively fostering interactions and network development between different actors involved in the AP innovation and entrepreneurship ecosystem increases the probability of success of cross border innovative business ventures and projects. The main activities of this component are: (a) **innovators and Entrepreneurs Interactions.** This component will finance meet-ups and venture forums, promoting the development of regional networks and interactions between entrepreneur, investor, scientists, inventors, and mentors among other relevant ecosystem participants. These interactions are meant to establish new regional businesses, joint ventures, shared research projects, explode regional venture investment or mergers, opportunities, etc. As mentioned before, the presence of dense business networks is expected to result in a more efficient allocation of the AP's resources. These networks can be used as a source of mentorship and interactions that can result in partnerships, investments and mergers as well as the leverage of previously unseen opportunities; and (b) **support organizations' Interactions.** This activity focuses on the interaction between relevant innovation and entrepreneurship support organizations with themselves and eventually with entrepreneurs and innovators. Entities such as

⁶ AP governments will be directly involved in granting the awards.⁷ For a list of observer countries see: <https://alianzapacifico.net/en/paises/#observer-countries>

government agencies, business incubators and accelerators, guilds, universities, tech-transfer offices, venture capital funds require interacting with their counterparts at a regional level in order to exchange experiences and agree on common grounds for cross-border policies and opportunities to be provided to innovators and entrepreneurs. These activities will take the form of multi-country dialog events and regional seminars.

3.3 Component 3: Regional Institutional Development and Strengthening (US\$230,000).

The objective of this component is to enhance the conditions and provide the support to companies, entrepreneurs and innovators for the execution of innovation and entrepreneurship projects through the development and strengthening of intermediate institutions and related agencies. As described on section 2.6, there will be a series of activities aimed at establishing and strengthening relevant institutions that foster and facilitate the execution of regional innovation and entrepreneurial projects. . In doing so, this TC will leverage on relevant innovation and entrepreneurship institutions capabilities, many of which have been supported directly or indirectly by the bank, and help them expand their reach to a regional level. This component will generate common spaces for already existing local institutions so they can interact with their peers from other member countries, which will lead to the formation of regional networks that can assist entrepreneurs and innovators fostering the formation of a ecosystem at a regional level. The main activities for this component are: (a) **establishment and Strengthening of intermediaries and support institutions** This activity contemplates the establishment and strengthening of regional businesses accelerators, business incubators and technology transfer offices enabling them to assist cross-border entrepreneurs, innovators and companies by providing them with best practices, operational assistance, cross-border accessibility to mentors, customers, funding and other relevant resources. The establishment of these institutions at a regional level requires not only the inclusion of the four AP countries but also developing links with other relevant similar institutions in other countries. Observer countries of the AP will be an important support of the activities defined in this component;⁷ (b) **strengthening the regional capabilities of funding entities.** This activity has the objective to strengthen already existing local funding networks connecting them at a regional level and with regional entrepreneurs; (c) **regulatory and business environment.** This activity has the objective of assisting the AP countries in identifying and coordinating regulatory initiatives to facilitate the execution of regional innovation and entrepreneurship projects. An initial assessment of regional regulatory issues that should be addressed and the definition of an agenda of activities to tackle these regulatory challenges through a public-private dialogue that will strive to regulatory compatibility will be carried out; and (d) **Assisting Innovation activities within established companies.** This activity will help established companies with access to best corporate innovation practices that include among others, innovation management and technology scouting, technology transfer and Corporate Entrepreneurship at a regional level.

3.4 Component 4: Communication, Dissemination and Metrics (US\$60,000). The objective of this component is to communicate the different activities, opportunities of the program to policy makers, innovators, entrepreneurs, investors and other relevant stakeholders. Additionally, the dissemination of the results, best practices

⁷ For a list of observer countries see: <https://alianzapacifico.net/en/paises/#observer-countries>

and next steps for sustainability will be carried under this component. The main activities for this component are: (a) **support for the development of a communication and dissemination strategy for innovation activities of the AP.** The objective of this activity is to establish a method to effectively communicate the results of the AP in matters of innovation and entrepreneurship within their respective governments as well as promoting its workshops, meetings, competitions and other activities to all potential ecosystem participants; and (b) **design of a results measuring strategy.** The purpose of this activity is to put in place instruments capable of measuring results and eventually the impact of the different activities to be carried out. Having mechanisms to benchmark and communicate the work that is being done, which can be easily updated yearly, may contribute to the sustainability of this ecosystem by providing quantifiable proof of the positive effects of its activities. The development of a metric matrix to evaluate the results of the various activities is an important aspect of this activity.

Table I. Indicative Results Matrix⁸

Indicators	Measurement Unit	Baseline		Goal		Source of Verification
		Value	Year	Value	Year	
Outputs						
Component 1: Human capital and culture development						
Workshops for the training of entrepreneurs, incubator executives, capital venture fund officials and tech transfer office executives organized	Workshops	0	2016	5	2016-2018	Courses and seminars report
Competitions, yearly awards and recognitions for entrepreneurs for the promotion of innovation role models.	Competitions, awards ceremonies	0	2016	2	2016-2018	Competitions and awards reports
Component 2: Strengthening of regional networks						
Meet-up events to promote the formation of regional stakeholder networks.	Meet-up events	0	2016	3	2016-2018	Database registration of attendees
Meetings with independent innovation and entrepreneurship support organizations to promote their involvement in the ecosystem	Meetings	0	2016	2	2016-2018	Meetings reports
Component 3: Regional Institutional Development and Strengthening						
Meetings to support the continuation of International Accelerator Program*	Meetings	0	2015	2	2015-2018	Database registration of attendees
Workshops for investors, capital venture fund officials to strengthen funding networks	Workshops	0	2016	2	2016-2018	Report of competitions
Report identifying regulatory issues and improvements completed**	Meetings with officials	0	2015	3	2015-2016	IDBDOCS
Stakeholder dialogues to seek regulatory compatibility	Meetings	0	2016	1	2015-2018	Meeting reports
Component 4: Communications, dissemination and metrics						
Meetings to design a communications and dissemination strategy of the AP ecosystem's activities and achievements	Meetings	0	2015	2	2016	Meetings reports
Meetings to design a results measuring strategy	Meetings	0	2015	2	2016	Meetings reports
Outcomes						
Outcome 1: Increased awareness and knowledge regarding innovation and entrepreneurship						
Entrepreneurs and innovators receiving support from workshops.	Participants	0	2016	50	2016-2018	Courses and seminars report
Visits to Pacific Alliance Innovation website	AP Innovation website visits	0	2016	40	2016-2018	Competitions and awards reports. Website statistics.

⁸ For more details see also [Detailed Results Matrix](#).

Indicators	Measurement Unit	Baseline		Goal		Source of Verification
		Value	Year	Value	Year	
Outcome 2: Increased communication and interaction among ecosystem stakeholders						
Number of attendees that participate in regional interaction events and meetings	Number of attendees	0	2016	50	2016-2018	Database registration of attendees
Number of Independent support organizations attending meetings for their involvement in ecosystem	Number of meetings held	0	2016	10	2016-2018	Meetings reports
Outcome 3: Greater accessibility for entrepreneurs and investors to resources that can contribute to the blossoming of their innovation based companies.						
Intermediaries participating in the international accelerator program	Number of participants in international accelerator program	0	2015	8	2015-2018	Program report
Number of local innovation based companies with international funding from other AP countries	Number of companies	0	2016	10	2016-2018	Workshop report
Outcome 4: Regional agenda of regulatory improvements to facilitate innovation and entrepreneurship.						
Number of countries that are implementing the regional regulatory framework for innovation and entrepreneurship	Number of countries	0	2016	1	2015-2018	IDBDOCS
Increased awareness of common grounds with respect to regional regulatory framework	Participants of meetings	0	2016	10	2015-2018	Meetings reports
Outcomes 5: Increased awareness and knowledge regarding innovation and entrepreneurship ecosystem activities.						
Communications strategy for promoting AP activities and results in innovation and entrepreneurship developed.	Strategies	0	2016	1	2016	Meetings reports
Results measurement strategy developed	Results matrix	0	2016	1	2016	Meetings reports

* This TC will support the organization of meetings, workshops and other events contributing with the logistics in coordination with the GTI. No consultancies are planned to be hired to prepare these events.

** Reports will be prepared by the consultant coordinating the activities of this TC.

3.5 The total amount of funds needed to achieve expected outputs is US\$910,000, from which US\$700,000 will be provided by the Facility for the Promotion of Regional Public Goods (FRPG-OC), and the remaining US\$210,000 will consist of in kind contributions provided by the AP member countries. Table II presents the summary project costs by component, for more details see Annex III and [detailed budget](#)

Table II. Indicative Budget (in US\$ dollars)

Activity/ Component	IDB	Local Counterpart	Total
Component 1: Human capital and culture development	150,000	50,000	200,000
Component 2: Strengthening of Regional Networks	180,000	50,000	230,000
Component 3: Regional Institutional Development and Strengthening	230,000	80,000	310,000
Component 4: Communication, Dissemination and Metrics	60,000	30,000	90,000
Project Coordination	70,000	0	70,000
Final Evaluation	10,000	0	10,000
Total	700,000	210,000	910,000

IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 **Executing Agency.** Given the regional character of this operation and the specific knowledge and coordination requirements, the beneficiary countries have requested the Bank to act as executor of this TC, through the Competitiveness and Innovation Division (IFD/CTI). (see [letters of request](#)). The administration of the TC includes: (i) serve as liaison between the Bank and the counterpart (ii) management and facilitation of the TC consultancies; (iii) fiduciary financial management responsibilities (disbursement of funds; financial administration and reporting); and (iv) support in the area of communications and dissemination of results. For this purpose, a project coordinator will be hired and resources have been separated in the project to fund such hiring. The consultant to be coordinated the project will report directly to an IFD/CTI senior staff. The implementation of this TC will be carried out in close coordination with the Innovation and Entrepreneurship Technical Group (GTI).
- 4.2 **Steering Committee.** The project will set up a Steering Committee integrated by the members of GTI from Chile, Colombia, Mexico and Peru, in which the Bank will participate actively with two main objectives: (i) to supervise the progress, results and impact of the project during the execution period; and (ii) to assure the goodwill of the participating government agencies to support the proper and successful execution of the project.
- 4.3 **Monitoring and Evaluation.** Given that the Bank will be the executing unit of this project, it will submit technical reports every six months, in coordination with AP members, with information about activities, products and results achieved over the last period. The reports will have to include a schedule for using the resources over the next six-month period together with information on lessons learned. The half year reports will discussed in monitoring meetings with AP members. Additionally, the technical cooperation will have an external evaluation by an independent consultant, paid by the project, who will certify the fulfillment of the indicators and goals included in the results matrix.
- 4.4 **Procurement.** The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with Bank's current procurement policies and procedures.

V. MAJOR ISSUES

- 5.1 **Dynamic inconsistency.** Even though it is well understood by all countries and political spectrum the importance of innovation as a means for economic growth, results occur and are often measured in future political periods. The risk is that in the scenario of new administrations or other immediate needs, this type of programs may be postponed or face lack of political will to continue. The mitigating factor in this case is evident, given the fact that the GAN (High Political Group of the AP) had the political will to create the GTI, thus granting institutional continuity to the program.
- 5.2 **Coordination efforts.** The implementation of this TC entails a great deal of coordination efforts, as it requires the four countries to agree on implementing the

specified activities. In order to mitigate the risk of needing additional coordination capacity, INT, who has an ongoing relationship with the AP in various programs, has the ability and goodwill to assist in these efforts. Furthermore, as the execution agency of this TC, the Bank will ensure a smooth coordination given its technical expertise.

- 5.3 **Establishing partnerships.** There are different entities responsible for each of the country's innovation initiatives, which imply a higher level of complexity. It is imperative to have the presence of these different actors during the formation of innovation networks, both, at a national and regional level. In this regard, Component 1 of this TC aims, not only at the acquisition and subsequent diffusion of knowledge, but also at establishing a partnership with the different actors (entrepreneurs, incubators, capital venture funds and tech transfer offices, early state investors and venture capitals) from each country and promoting communication between them.
- 5.4 **Management requirements.** Along with the previous line of thought, the fact that four countries will participate in this TC entails substantial coordination challenges. To mitigate this, a dedicated consultant will be assigned to the project.

VI. ENVIRONMENTAL AND SOCIAL STRATEGY

- 6.1 Given the nature of the program, there are no associated environmental or social risks. Based on the Environment and Safeguards Compliance Policy (OP-703) this operation is classified as "C." (see [Safeguards Policy Filter Report and the Screening Form](#)).

Required Annexes:

- Annex I – [Commitment Letters](#).
- Annex II - [Terms of Reference](#).
- Annex III - [Procurement Plan](#).

BUILDING AN INNOVATION AND ENTREPRENEURSHIP ECOSYSTEM FOR THE PRACTICE ALLIANCE

RG-T2683

CERTIFICATION

I hereby certify that this operation was approved for financing under the Facility for the Promotion of Regional Public Goods (**RPG**) through a communication dated July 10, 2015 and signed by Kai Hertz (ORP/GCM) in compliance with resolution DE-62/15 approved by the Executive Directors on July 7, 2015. Also, I certify that resources from said fund are available for up to **US\$700,000** in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of four (4) calendar months counted from the date of signature below. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in U.S. dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

<i>Original Signed</i> _____ Sonia M. Rivera Chief Grants and Co-Financing Management Unit ORP/GCM	<i>11/4/2015</i> _____ Date
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APPROVAL

Approved:

<i>Original Signed</i> _____ Jose Miguel Benavente Division Chief Competitiveness & Innovation Division IFD/CTI	<i>11/6/2015</i> _____ Date
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