PLAN OF OPERATIONS

DELEGATION OF AUTHORITY TO COUNTRY OFFICES[1]

GUYANA
(GY-T1188)

I. GENERAL INFORMATION

Title	TrueSelph: Democratizing access to AI.		
Executing Agency:	TrueSelph Inc.		
IDB Lab Focus Area:	Education, Talent, and Employment Vertical		
Project Beneficiaries:	TrueSelph beneficiaries will include 15 micro, small and civil society organizations in Guyana. The prototype facility will finance support testing the of the TrueSelph Artificial Intelligence (AI) solution by these beneficiary organizations to drive better and more personalized customer or client engagement and service. Results on user experience will inform further product development prior to commercial launch of the solution.		
Financing:	IDB Lab Non-Reimbursable Technical Cooperation:	US$ 150,000	69%
	Counterpart:	US$ 66,600	31%
	TOTAL PROJECT BUDGET:	US$ 216,600	100%
Execution and Disbursement Period:	12 months of execution and 18 months of disbursement.		
Objective:	The objective of this project is to test and refine an innovative conversational AI solution designed for smaller organizations as a key step towards commercial deployment.		
Environmental and Social Impact Review	This operation was screened and classified as required by the IDB's safeguard policy (OP-703) on August 17, 2022. Given the impacts and risks, the proposed category for the project is C.		
Project Team	Vashtie Dookiesingh (DIS/CTT) Team Leader, Kaimlall Chattergoon (CCB/CGY), Mara Balestrini (LAB/LAB)		
Unit responsible for disbursements	CCB/CGY		

[1] Delegation of authority to IDB Country Representatives for approval of MIF TC operations up to US$150,000 is established under MIF/GN-62-7

II. BACKGROUND AND JUSTIFICATION

A. Problem Description:

2.1. The problem that is being addressed is the digital divide, specifically the cost and technical capacity of small organizations in accessing and deploying advanced technologies, in this case Conversational Artificial Intelligence (AI), to advance their organizational goals. Conversational Artificial[2] intelligence solutions can yield significant productivity gains for small organizations via more efficient, accessible, and customizable customer engagement, and by extension, have the potential to generate economic growth. However, the financial and technical requirements for acquisition and deployment of AI solutions are typically beyond reach and capacity of many small organizations in developing countries such as Guyana.

2.2. The value of conversational AI is growing at a rapid pace facilitating higher levels of engagement and inclusion of citizens' interactions with public, private sector and civil society organizations, and has emerged as one of the top drivers for delivering an enhanced experience to customers, employees, and agents. The rising demand for AI-based chatbots and virtual assistants to stay connected and informed during COVID-19 and increasing focus on customer engagement are the major factors driving the value of conversational AI offerings. Conversational AI technologies are expected to provide opportunities for organizations making information and services not only **accessible and usable**, but also **relatable and explicable**. The global conversational AI market size is forecasted to grow from USD 6.8 billion in 2021 to USD 18.4 billion by 2026, at a Compound Annual Growth Rate (CAGR) of 21.8% during the forecast period[3]. Conversational AI-based systems present great promise for online, human-level engagement, particularly in a post-COVID, virtual and productivity-driven world.

2.3. However, conversational AI experiences can cost hundreds of thousands of US dollars to engineer and typically require many man hours and teams of experts to deliver. To date, the cost and technology expertise required to deploy such advanced solutions, have constrained smaller organizations in accessing these innovations. The effective digital divide that is constraining the adoption and deployment of advanced technology solutions such as conversational AI is constraining the development, reach, growth, and competitiveness of many small and emerging organizations, both in the business sector and in civil society. Conversational AI however has powerful potential to support increased responsiveness, client engagement and reach of small organizations that are often constrained by limited human, technology, and financial resources.

2.4. Many developing countries like Guyana are lagging in technological adoption of AI-based innovations because they must be sourced from developed economies and in part, they are yet to witness tangible examples of such endogenous innovation with global market applications that can encourage adoption.

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[2] Conversational AI encompasses the technologies that allow chatbots and other digital tools to understand process and respond to human language.

[3] https://www.marketsandmarkets.com/Market-Reports/conversational-ai-market-49043506.html
https://blogs.iadb.org/caribbean-dev-trends/en/9397/

2.5. Eldon Marks, a Guyanese developer and founder of V75 Inc, a software development company in Guyana has partnered with Professors Jason Mars (a member of the Guyanese diaspora) and Lingjia Tang founders of the US based AI firm Jaseci Labs LLC, to establish **TrueSelph** as an affordable and customizable conversational AI technology. This team is now seeking to inspire innovation in Guyana via the local prototyping of this technology prior to full commercial roll out. TrueSelph is a conversational AI solution that lowers the barrier of entry for small organizations to use AI, and within technical and economic contexts, allows anyone to deploy scalable, human-like conversational AI experience for tens of US dollars in a matter of minutes. Advanced applications of digital technologies such as AI represent one area of interest in which Guyana's emerging technology sector is developing traction. TrueSelph is an AI solution that can catalyze advanced technology adoption and strengthen local ICT capacity and Guyana's reputation as a centre for ICT innovation, while creating opportunities for smaller local organizations to develop and grow via the application and leverage of advanced digital solutions.

III. THE INNOVATION PROPOSAL

A. Description of the Solution being Tested

3.1 Project Objective: The objective of this project is to test and refine an innovative conversational AI solution designed for smaller organizations as a key step towards commercial deployment. The project will support the prototyping and implementation of TrueSelph for 15 micro and small and civil society organizations in Guyana to conduct live user testing and generate important feedback on its use in a range of organizational settings, in a country with limited technology capacity and ICT infrastructure. The results of this prototyping exercise will facilitate product refinement in final stages of development, which will be important to launch and promote the commercial delivery of this solution which, in the interest of inclusion, has been purposefully engineered for deployment with limited technology know how and is not dependent on high-speed connectivity. These features will allow for a democratization of conversational AI use by small organizations operating in different environments with varying levels and quality of connectivity access.

3.2 The TrueSelph solution is a patented invention, filed within the United States Patent and Trademark Office with Eldon Marks as the first named inventor. Although built on top of an open-source AI technology stack, the unique methods and systems of the product have been cleared with the US Patent Office. TrueSelph not only allows anyone to build an affordable, quality conversational AI experience, but it also puts the "human" back into the experience. With TrueSelph, users can place an AI-powered and interactive avatar of themselves or their organization's spokesperson/expert online or on stand-alone kiosks, to connect with users in a scalable way. TrueSelph has been designed to unleash innovation and creativity in the use of AI without users needing an ICT background and experience, so the focus is on why deploy the solution (problem centered) and what the solution can offer (value proposition) rather than how the technology works. TrueSelph can allow users to create an online-based interaction of a living person and upload preexisting and updated content that will allow the TrueSelph avatar to interact and engage in real time with users. More importantly, TrueSelph

can produce conversational AI experiences which recognize 16 different languages and converse in verbal and closed caption-based delivery which makes it possible to cater to those with literacy, and auditory challenges.

3.3 **Impact:** TrueSelph is a globally applicable, AI-based innovation which is endogenous to Guyana. The founders believe that its path to success will show the way for aspiring innovators within Guyana and boost the innovation culture. In addition, the solution was engineered in Guyana by local developers, and as it scales, the TrueSelph team aspires to have it continue to create more opportunities for local talent and more meaningfully contribute to the growth of the local technology ecosystem.

3.4 Through the economic and technical accessibility of the TrueSelph platform, the company aspires to position the same advanced conversational AI solutioning to enhance customer and stakeholder engagements by small organizations without the cost and technical adoption barriers, when delivering a comparable solution. TrueSelph sees applicability, and in Guyana where connectivity can be a challenge, particularly through kiosk-based deployments, in several local sectors, such as private sector led hospitality, healthcare, education, and commerce. These applications will be driven by pilot organizations' business models and value propositions. An initial scan of the local environment shows a great potential to enhance customer service for businesses in the business process outsourcing sector as well as in hospitality and tourism, given the expansion of these sectors in Guyana, Additionally, the solution can be applied in key civil society organizations working in climate action and delivery of social services to vulnerable segments of the population, to expand reach, messaging and intensify engagement of stakeholders. Uses can include expanding reach and dialogue on innovative ideas for Guyana's thought leaders, supporting on demand tutoring support for educators, support preliminary screening of persons seeking health care, deliver on demand advice to farmers, support for citizens in embracing climate resilient actions, among other applications. The idea of the prototype solution is to make the technology visible and to support and highlight at least 15 demonstration pilots of TrueSelph's use in various applications starting in Guyana, to drive and encourage broad based (global) adoption.

3.5 To better illustrate the power and application of the proposed solution, two (of the estimated 15) use cases that TrueSelph will prioritize to prototype and showcase the solution in Guyana are outlined below.

3.6 **Use Case 1** – Micro Businesses in Guyana's' Eco Tourism Sector: The TrueSelph solution will be prototyped and deployed in Guyana, initially targeting the country's growing hospitality and specifically the country's ecotourism sector in which very small operators located in remote areas outside of the capital, are now facing a continuous flow of foreign nationals that are entering and working in Guyana and are interested in exploring the country. One of the frequent challenges cited by prospective visitors to ecotourism locations is the lack of real time responses to requests for information from operators, yet visitors preparing to travel to the country's interior need to be informed and prepared in advance. A specific use case would be the application of TrueSelph for small lodges and tour operators in Guyana's remote Rupununi region close to the Brazilian border, for which potential and existing visitors have often reported the time lag and lack of responsiveness of local operators in responding to queries and requests for information. These eco-tourism operators are micro enterprises that are the primary drivers of livelihoods for the Indigenous communities that staff lodges and

provide transport and guide services for visitors. With the deployment of this solution, TrueSelph aims to deliver always-available, instantaneous responses to tourists in multiple languages, to address one of the significant issues of timely engagement, which is currently plaguing many of the tourism-based micro establishments in Guyana. The innovative aspect about AI is that travel and hospitality brands are currently exploring ways to embed AI technology in their search processes and chat platforms to enhance customer service and engagement[4]. The intended solution will present a human-like hospitality agent experience for selected hospitality establishments in multiple languages. This experience may be deployed at scale, on the agency's website (if available) and/or through a kiosk, on location, in the capital city, or airports. The hospitality agent, based on an avatar of an actual person, will be capable of greeting potential visitors with a warm smile, an engaging personality as well as delivering a comprehensive collection of answers to the many frequently asked questions by visitors to Guyana. Leveraging the multilingual capabilities of the TrueSelph technology, this agent will be capable of engaging a wide cross-section of visitors. Further, the accessibility considerations of the technology will be inclusive to the auditory, or literacy impaired. In addition, as noted above, the solution may be deployed with or without internet access, permitting the many eco-lodges across Guyana's interior to benefit from TrueSelph's technology.

3.7 **Use Case 2** – Combatting Gender-based Violence: Guyana's First National Survey on Gender Base Violence by UN Women Caribbean in November 2019 indicated that one in every two women in Guyana will experience intimate partner violence in their lifetime[5]. From an impact perspective, TrueSelph aims to develop a use case solution in collaboration with NGO National Coordinating Coalition Inc. (NCC) the primary coordinating organization engaged in the delivery of services to victims of gender-based violence in Guyana. A TrueSelph solution in this case can exponentially increase engagement of potential and actual victims of gender-based violence (GBV) providing a customizable and multilingual service to support victims in accessing treatment and remedy as well as engaging the wider national population in advocacy and education on what gender-based violence is, its impact and consequences. Some of the potential benefits TrueSelph will bring to NCC are: (a) Provide easy and timely access to relevant information for GBV survivors including migrants from Venezuela who can access information in Spanish; (b) Assist NGOs working to combat GBV to meet and interact with clients in communities and regions that are not easily accessible in person, and to provide survivors the tools /information needed to access hard-to-reach services at any time; (c) Increase the NCC's ability to advocate and raise awareness of this issue; and (d) Demonstrate to NGOs delivering key services in Guyana the advantage of deploying this and other innovations that have the potential to cost effectively expand their reach across geographical boundaries of an organization's immediate physical location. The strengths of a TrueSelph delivery in this use case are that the experience involves interacting with the avatar of an actual and well-known advocate and champion of GBV victims in Guyana, and is based on knowledge of an actual expert, complete with the full degree of

[4] https://www.theworldsgreatestvacations.com/for-travelers/destinations/caribbean/enhancing-caribbean-tourism-with-artificial-intelligence/

[5] https://caribbean.unwomen.org/en/news-and-events/stories/2019/11/1-in-every-2-women-in-guyana-will-experience-intimate-partner-violence

expressions and eye-contact necessary in such sensitive conversations. In addition, the experience will be scalable and accessible online for those who may be affected to seek counsel, discretely at any time of day or night.

3.8 An estimated 15 Guyanese organizations will each receive a TrueSelph deployment, tailored to their operational needs. A specific consideration will be made to ensure that TrueSelph Inc. works with organizations aligned with hospitality and gender-based violence to include within the 15 organizations selected, the two use cases described in previous sections. The results of prototype deployments (15 use cases) will be utilized to refine the solution and market TrueSelph internationally via an affordable subscription service, with all technical support being delivered from the development team based in Guyana. The solution is intended to democratize AI access and use by organizations and individuals, in multiple languages and in both an online and offline format. The successful deployment of TrueSelph will help further catalyze development of Guyana's technology sector, will engage youth, deliver value and impact to local firms and organizations, and will enable citizen led innovation around the application and leverage of conversational AI as a starting point for innovation in advanced technologies.

3.9 **Monetization Strategy:** TrueSelph's current monetization plan includes a business-to-consumer (B2C) subscription as well as a business-to-business (B2B) subscription. Both options employ a software-as-a-service (SAAS) model, whereby a monthly or annual subscription is paid to TrueSelph Inc. for the use of the TrueSelph platform services. The B2C subscription affords access to the web-based publishing facilities of up to two "Selphs" (avatar based conversational agents) for USD$30 per month with thresholds on the number of dialog exchanges per month. The B2B subscription model builds upon the B2C model with the ability to deploy the experience via kiosks and on-premises deployments (which require no Internet). The kiosks are consumer-based tablets, which run TrueSelph software. They will be paired with accompanying mounts to be placed on countertops on clients' sites. Applicable COVID best practices will be incorporated into the deployment procedures. The hardware will be procured, configured, and provided to the selected organizations by TrueSelph for use by clients.

3.10 Resources requested from IDB Lab will be used to develop and launch a production grade TrueSelph Software as a Service (SaaS) solution as well as a customizable kiosk production offering (which can operate without connectivity), both of which will be utilized to deploy 15 use cases in Guyana. These use cases will be instrumental in finalizing the product for full commercial launch in terms of technical development and collation of data on use and impact of the prototypes, leveraging valuable performance data and user feedback to further refine the TrueSelph experience. IDB Lab funding will also finance a Go to Market Strategy for B2B and B2C commercial deployment of the solution, as well as outreach in business and technology forums. **The goal would be to utilize prototype resources from IDB Lab to catapult the company from a design and beta testing phase to a piloting and market penetration phase.**

B. Description of the Beneficiaries

3.11 The prototype facility will initially finance support for the application of TrueSelph by 15 micro, small and civil society organizations in Guyana in driving better and more personalized customer service, as well as its application in advancing work

of civil society and quasi-governmental organizations working in diverse areas within Guyana. These organizations will be selected to partner in the demonstration of the ease of use and value proposition of TrueSelph to promote and encourage wider scale adoption on an affordable subscription basis which will include technical support, by additional users within and outside of Guyana. In line with IDBG and IDB Lab's strategic priorities the focus in selection of prototype/use case partners include organizations that seek to improve lives of lower income and vulnerable groups as well as micro and small businesses that can exponentially improve visibility and customer experience via use of TrueSelph.

IV. THE PROTOTYPE EXECUTION STAGES

4.1 The TrueSelph premise was the culmination of industry and academic experience in conversational AI. Over several years, the founders collaborated across their respective entities, Jaseci Labs and V75 Inc., to deliver conversational AI solutions major companies. Further, the Jaseci Labs founders have several top tier publications within the specialization, some of which leverage their learnings from industry. Based on observations and related findings of certain gaps in current conversational AI solutions, the TrueSelph proof of concept was envisioned to explore the added element of visual and auditory human representations within the existing conversational AI experience. In addition, the recent advancement of pre-trained AI models permitted this proof of concept to become fully realized with the opportunity to provide the highest degree of simplification when building a conversational AI model. This pre-trained AI model is a recently published work within academic spheres and has not yet been applied to commercial products outside of those built upon Jaseci Labs. Finally, TrueSelph has been recently awarded patent rights to their invention with no contestation, confirming the legal rights to their solution. The prototype operation will facilitate use case deployment, live testing, and refinement of the TrueSelph solution and the development of a marketing strategy prior to commercial launch. In this regard, the project will be executed via three non-sequential components as follows:

A. Definition Stage:

4.1 The goal of this phase is to refine the solution for release and deployment as well as develop the product's digital presence (website and social media). It is anticipated that this phase will be completed in four (4) months. Key activities will include (i) preparation of production grade TrueSelph SaaS and kiosk solutions for use case deployment in Guyana, (ii) the implementation of a system to receive, assess and address user feedback, and (iii) based on feedback received to further develop and refine the SaaS and solution.

4.2 The targeted results include: (i) launch of a commercial grade SaaS solution and (ii) launch of a production grade kiosk solution.

B. Implementation Stage:

4.3 The goal of this component is to test and refine the TrueSelph SaaS and kiosk solutions via deployment and support of 15 use cases in Guyana and to prepare for commercial launch. The TrueSelph prototype implementation will be guided by the goal of achieving subsidized TrueSelph deployments for 15 Guyanese micro and small businesses and civil society organizations in 12 months, as well development of a go-to-market and promotional activities to support commercial launch of TrueSelph SaaS and kiosk services. The agencies which are intended to benefit from the solution will be considered from across several customer-facing sectors and civil society organizations. These organizations will be required to apply to become testers of the technology. The final selection of agencies will be concluded based on how well their use cases map to the capabilities of the technology, the value proposition of deploying TrueSelph and the impact potential of the technology.

4.4 TrueSelph will work with the channel partner to promote a call for applicants to benefit from complimentary, AI-based enhancements to their operations, powered by TrueSelph technology. The channel partner, once in receipt of applications, will review and shortlist 15 eligible agencies. TrueSelph will then work with the channel partner to assess the selected agencies and define and implement TrueSelph implementation plans to guide deployment. Once implemented, the channel partner will offer subsidized onboarding and technical support to each organization for up to one year following deployment of the solution.

4.5 To coordinate the use case consultation, application and implementation process, a local channel partner which possesses the human resources and technical expertise will be contracted. V75 Inc has been identified as the channel partner, ideal for the execution of the prototype rollout for selected agencies. V75 Inc. is not only the partnered technical agency which built and supported the TrueSelph proof of concept, but it is also the only practicing conversational AI firm in Guyana with the technical and human resource capabilities to deliver on prototype rollout, support, and maintenance. Additionally, the implementation phase will include development of a Go To Market strategy and plan for commercial launch of TrueSelph. The channel partner V75 Inc, in collaboration with TrueSelph founders will execute on the go-to-market strategy within Guyanese or foreign markets. This entails engaging potential clients as well as the promotion of TrueSelph at international technology and investor forums

4.6 For go-to-market activities, the channel partner will organize demo sessions with potential clientele for lead generation. In addition, TrueSelph founders will engage international technology and business conferences for the purpose of networking and organizing speaking engagements aligned with promoting TrueSelph technology to potential commercial users.

4.7 The targeted results include: (i) 15 use cases of TrueSelph by small organizations in Guyana and (ii) development of a Go To Market Strategy for commercial launch of the solution in B2C and B2B channels.

C. Evaluation and Knowledge Dissemination Stage:

4.8 The goal of this component is to collate and evaluate results of the use cases and solution refinement that can inform commercial launch and operations of TrueSelph. Throughout the period of deployment for each agency, the channel

partner will be tasked with monitoring the impact and performance of the TrueSelph product within the 15 selected use cases. Quarterly performance reports will be compiled by the channel partner and shared with the TrueSelph founders and the IDB Lab team. These reports will cover the level of engagement with the solution, the accuracy of the solution, observations on the impact on business operations, customer feedback, any faults, and recommendations, all of which will be utilized to further enhance the technology and user experience of TrueSelph and in promotion, marketing, and outreach efforts.

4.9 The primary targeted result is the development of a marketing and operational plan to support commercialization of TrueSelph.

V. EXECUTION AGENCY AND ARRANGEMENTS FOR EXECUTION

A. Executing Agency

5.1 TrueSelph is a collaboration between Eldon Marks and Jaseci Labs LLC who share equal stake in the product. TrueSelph Inc. was founded in June 2020 as part of efforts to file a patent on the product, seek funding and take the product to market. TrueSelph Inc. is registered as a Delaware C-Corp. A brief profile of the founders and shareholders of TrueSelph Inc are as follows: in this venture are as follows:

5.2 **Eldon Marks** - Eldon Marks is a technology entrepreneur and innovator on a personal mission to create empowering environments for innovation and tech industry development in Guyana. He has a master's degree in Computer Science with a specialization in Artificial Intelligence and has spent thirteen years as a lecturer and mentor to students of the Department of Computer Science at the University of Guyana. While at the University, he founded a social impact led tech community which, to date, has evolved into a for-profit conversational AI tech company (V75 Inc)[6] with a non-profit counterpart (NeXus Hub Inc) focused on youth development through industrial training and job placement within the local tech industry. In 2021, Eldon participated in a specialized technology acceleration program under the IDB Lab RG-T3561 Creating a Global Gateway for Technology Business in the Caribbean executed by Tech Beach Retreat.

5.3 **Jaseci Labs LLC.**[7] – Jaseci Labs LLC was founded by two University of Michigan professors, Jason Mars (a Guyanese national), and Lingjia Tang to focus on developing powerful tool sets to build AI products. Jaseci Labs has provided the cutting-edge conversational AI stack used to build TrueSelph. Jaseci Labs LLC is the entity which created the open-source AI ecosystem of tools upon which TrueSelph was built. The founders of Jaseci Labs, LLC are both professors at the University of Michigan; Jaseci Labs, LLC as private entity is not affiliated with the University of Michigan outside the association with its faculty founders.

B. Implementation Mechanism

5.4 The Executing Agency will be TrueSelph Inc and will sign a TC Agreement with the IDB. TrueSelph Inc will focus on planning, oversight, and quality assurance for implementation of the operation. All technical development, and management of

[6] https://v75inc.com/

[7] https://www.jaseci.org/

TrueSelph prototype deployment will be managed in Guyana through the V75 the selected channel partner.

5.5 The channel partnership with V75 Inc. will serve to simplify the access and coordination of skilled resources in Guyana to mobilize on the impact-led and go-to-market campaigns for the TrueSelph product within Guyana. Some of the key activities that will be supported by V75 Inc Includes; (1) promote a call for applicants to benefit from prototyping AI-based enhancements to their operations, courtesy of TrueSelph technology. (2) Review applications and shortlist 15 eligible local entities. (3) Assess selected applicants and define TrueSelph Use Cases to guide deployment. (4) Offer onboarding and technical support for each TrueSelph deployment. (5) Monitor and evaluate impact of TrueSelph prototype applications.

5.6 The scope of work, reporting relationships and deliverables will be outlined in a contract that will be executed by TrueSelph and V75 the channel partner. An additional contract will be issued with a suitable partner that will assist TrueSelph Inc with its Go to Market strategy and supporting operational plan(s).

5.7 Specific Criteria for Digital Technology Prototypes only: The TrueSelph solution has been assessed against the Principles for Digital Development endorsed by the IDB Group and is found to broadly comply with these principles as outlined in Annex VII.

VI. ALIGNMENT WITH IDB GROUP, SCALABILITY, AND RISKS

A. Alignment with IDB Group

6.1 The project is aligned with the IDBG Country Strategy with Guyana 2017-2021 which is the current strategy in effect[8], most notably the area that focuses on Facilitating Private Sector Development to support the delivery of better services, through enhancing the business environment.

6.2 The project is also aligned with the objectives defined in The Future and Financing of IDB Lab which emphasize the fact that as an innovation laboratory, IDB Lab has been delivering novel solutions through supporting innovative technologies and business models that foster inclusion. The prototype project builds on the work of IDB Lab in supporting the use of advanced technologies to drive development and inclusion, including use of artificial intelligence and blockchain by startups. These initiatives, as with TrueSelph, facilitate democratization of technology by lowering technical and financial barriers in the use of technology solutions and business models for development and inclusion.

6.3 The project contributes to the Sustainable Development Goal #9, Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, specifically target 9.b, “support domestic technology development, research and innovation in developing countries”.

[8] The IDB Group Country Strategy with the Co-operative Republic of Guyana (Country Strategy) covering the period from 2022 onwards has not yet been approved. The Country Strategy 2017-2021 The Country Strategy 2017-2021 is within the transition period until November 2022 (according to the guidelines) since it was approved in November 2017

B. Scalability / Replicability

6.4 If successful, this prototype operation will support the transition of TrueSelph to launch of commercial operations offering a relevant, affordable, and easily deployable conversational AI application to small organizations to advance their reach, customer engagement and enhance their value proposition. The prototype financing will provide TrueSelph critical user data to enhance its solution and a Go to Market Strategy for scale up.

C. Risks

6.5 The main risks identified for this prototype are as follows: 1) If there is minimal uptake of the TrueSelph solution amongst local organizations in Guyana, the project scope and achievement of objectives will be compromised. To mitigate this risk the Executing Agency will conduct targeted need assessments and targeted outreach to engage, screen and select organizations for deploy 15 use cases. In addition, the role of V75 Inc as a locally based and recognized Guyanese software development company, is expected to assist in building interest and trust. 2) If the commercial uptake and adoption rate of TrueSelph are significantly high, the channel partner V75 may struggle to support users, compromising quality and commercial success. The Executing Agency will have to accept this risk, however by prototyping an initial 15 use cases in Guyana the company will be able to focus on development of the solution and any unexpected surge in initial demand can be met by temporarily outsourcing user support given the simplicity of technical requirements of user deployment, while the company expands its team to support, resell and maintain the product. 3) If commercial demand does not materialize the viability of the company is placed at risk. To mitigate this risk, project resources are allocated to support a Go To Market strategy and outreach efforts, utilizing and informed by the experience and impact of prototyping in Guyana. In addition, as proposed services are inexpensive once the technical viability of the product is demonstrated via the prototyping in Guyana, pricing is not expected to be a barrier to adoption.

VII. SUMMARY BUDGET

7.1 The project has a total cost of US$216,600, of which US$150,000 (69%) will be provided by IDB Lab, and US$66,600 (31%) in counterpart resources will be provided by TrueSelph Inc.

7.2 The instrument to be used is a non-reimbursable technical cooperation given that the company is a startup and is seeking to facilitate and commercialize an affordable and accessible conversational AI solution that can serve advance the digital inclusion of micro and small organizations in Guyana, and later the wider region, in use of advanced technologies.

7.3 Retroactive Recognition of Counterpart Funds. Counterpart funds of US$12,000 already invested by TrueSelph Inc up to 12 months prior to project approval in development and patenting of its technology solution, will be retroactively recognized.

Project Categories	IDB Lab USD	Counterpart USD	Total USD
1. Definition	50,000	27,600	77,600
2. Implementation	95,900	31,500	127,400
3. Evaluation & Knowledge Dissemination	4,100		4,100
Project Administration		7,500	7,500
Grand Total	150,000	66,600	216,600
% of Financing	**69%**	**31%**	**100%**

VIII. COMPLIANCE WITH MILESTONES, FIDUCIARY AND REPORTING ARRANGEMENTS

8.1 **Disbursement by Results.** The Executing Agency will adhere to the standard IDB Lab disbursement by results as established in the “Operational Guidelines for Management of Milestones and Financial Supervision for IDB Lab and PES Technical Cooperation Projects" (updated in 2019). Monitoring will be undertaken in accordance with the performance and risk management policies (fulfilment of milestones) established in these Operational Guidelines. Project disbursements will be contingent upon verification of the achievement of agreed milestones. These milestones will be verified using their means of verification, which will be agreed upon between the Executing Agency and the IDB Lab. Achievement of milestones does not exempt the Executing Agency from the responsibility of reaching the logical framework indicators and the project objectives.

8.2 **Project Supervision.** The Project will be associated with the guidelines of the Prototype Facility RG-O1676; however, it will not be linked to the facility container. It will be supervised by the IDB Lab assigned Project Team Leader and will executed in coordination with the Project Team for RG-O1676.

8.3 **Procurement**. The Executing Agency shall have a procurement policy in place to ensure that project-related procurement is done at competitive market prices. It shall also prepare a procurement plan (the "Procurement Plan") acceptable to the IDB, that describes the contracts for goods and services required to carry out the project, including the estimated cost of each contract, and the proposed methods for acquisition of its goods and services, including consultants’ services. The IDB may request annual reports on execution of the Procurement Plan by the Executing Agency. Implementation of the procurement policies, terms of reference, and contracts for the acquisition of goods and services, as well as the Procurement Plan and fulfillment thereof may be subject to ex ante review or ex post supervision by the IDB, at its discretion.

8.4 **Financial Management:** Disbursements will be made in accordance with the Financial Management Guidelines for IDB-Financed Projects (OP-273-12) July 2, 2019 or future updates. The Executing Agency shall maintain *financial data and internal accounting and administrative control systems acceptable to the Bank* so as to provide the necessary documentation to permit verification by the IDB of the procurement and expenditures for the project and facilitate the timely preparation of financial statements, budgets, and reports. The IDB reserves the right to audit all financial statements, internal controls, procurement, or other aspects of the project.

8.5 **Financial Statements.** The Executing Agency shall prepare and make available for the Bank its annual financial statements, which must be certified by an external auditor acceptable to the Bank and include a note on the use of the IDB Lab Contribution and Counterpart Resources for the project. The financial statements must be submitted to the IDB within 90 calendar days of the close of each fiscal year. Together with its annual financial statements, the Executing Agency must submit to the Bank a certification of integrity, transparency, and use of funds in the format to be outlined in the Technical Cooperation Agreement.

8.6 **Project Status Reports:** The Executing Agency is responsible for presenting a Project Status Report (PSR) to the IDB Lab within 30 days following the end of each semester or more frequently if required by IDB Lab. The PSR must include information on the implementation of the project, results obtained and contribution to reaching the project objective as presented in the Result Matrix (Annex I) and other planning instruments. Additionally, the document must include information on challenges encountered during the implementation period and possible paths to address these challenges. Within 90 days of finishing the execution period, the Executing Agency will present to IDB Lab a Final PSR giving priory to reporting on key results achieved, a sustainability plan, scaling up strategy and lessons learned.

8.7 **Project Coordinator:** The Executing Agency will appoint a Project Coordinator either from its existing staff or at its own cost. Expenses relating to project coordination and/or administration costs are not eligible under the IDB Lab contribution, rather such expenses must be financed by the counterpart contribution. The Project Coordinator shall have overall responsibility for the management of the project, including submission of PSRs, tracking milestones and results and coordination with IDB Lab.

APPROVAL

This Technical Cooperation is recommended and approved for funding under MIF Program Delegation of Authority MIF/GN-62-7, and resolution number MIF/DE-13/07).

Recommended by:

December 13, 2022

Vashtie Dookiesingh DIS/CTT, IDB Lab — Date:

Approved by:

December 13, 2022 | 7:11 AM EST

Lorena Solorzano IDB Country Representative a.i. — Date:

Country Office Guyana