**TC ABSTRACT**

**I. Basic Project Data**

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| ▪ Country/Region: | JAMAICA/CCB - Caribbean Group |
| ▪ TC Name: | Strengthening the Intellectual Property Ecosystem to Increase Innovation, Competitiveness and Growth in Jamaica |
| ▪ TC Number: | JA-T1161 |
| ▪ Team Leader/Members: | Stevenson, Claudia (IFD/CTI) Team Leader; Grant, Kayla Sharee (IFD/CTI); Pilgrim, Valarie (IFD/CTI); Blair, Sudaney (CCB/CJA); Gonzalez Alzualde, Yohana Beatriz (IFD/CTI); Franklyn, Russell Levon (IFD/CTI); Lopez de Valles, Maria Fernanda (IFD/CTI) |
| ▪ Taxonomy: | Client Support |
| ▪ Number and name of operation supported by the TC: | N/A |
| ▪ Date of TC Abstract: | 26 Jun 2018 |
| ▪ Beneficiary: | Jamaica |
| ▪ Executing Agency: | INTER-AMERICAN DEVELOPMENT BANK |
| ▪ IDB funding requested: | $ 250,000.00 |
| ▪ Local counterpart funding: | $ 180,400.00 (In Kind) |
| ▪ Disbursement period: | 30 months |
| ▪ Types of consultants: | Individuals; Firms |
| ▪ Prepared by Unit: | Competitiveness, Technology and Innovation Division |
| ▪ Unit of Disbursement Responsibility: | Institutions for Development |
| ▪ TC included in Country Strategy (y/n):  ▪ TC included in CPD (y/n): | Yes  No |
| ▪ Alignment to the Update to the Institutional Strategy 2010-2020: | Productivity and innovation |

**II. Objective and Justification**

2.1 The objective of this project is to strengthen Jamaica’s Intellectual Property ecosystem to support MSMEs in leveraging their IP assets to drive innovation, competitiveness and growth.

2.2 Intellectual Property (IP) assets account for 70% or more of a business’ perceived net value. This is increasingly the case for digital startups whose business model derives a great deal of its value from IP. The brand value of Uber alone, for instance, is US$70 million. Yet in Jamaica, only 5% of Jamaican firms surveyed by the 2013 PROTEqIN indicate having successfully filed for IPRs (patents, trademark, industrial design, or copyright registration) in the last three years and only approximately 12% of surveyed Jamaican firms are innovating. There exists a lack of awareness on registering and valuing IP assets, limited know-how on IP asset valuation, deficiency in the IP monetization culture amongst both academia and private sector, and a limited support framework for innovation and IP commercialization. To address the prior, this TC will help to create the conditions for IP monetization, most specifically collateralization, so that firms can effectively leverage their IP assets to foster further innovation and contribute to competitiveness and economic growth in Jamaica. MSMEs, large firms and academic institutions would benefit from tools for valuing and monetizing their IP. The project also targets other actors in the IP ecosystem (BSOs, financial institutions, lawyers, accountants) who face knowledge gaps, particularly with respect to IP valuation.

2.3 This TC also proposes support for digitizing the Jamaica Intellectual Property Office’s (JIPO) paper-based IP registration system in order to increase the efficiency of business processes related to IPR (such as IPR searches, examination, and registration procedures) and to improve the experience of users of the IP system. Data sharing protocols would allow for improved data analysis and IP strategy development amongst users, such as universities, private sector, and other IP offices. The World Intellectual Property Office (WIPO) supported JIPO in the development of an Industrial Property Automation System (IPAS) which stores data for trademarks, patents, and industrial designs and is updated by WIPO. The automation capabilities of the system have not been fully capitalized on given the following: (i) not all data has been migrated to the database (ii) an application interface does not yet exist for data sharing and (iii) functionalities do not yet allow for online registration or payments.

2.4 This TC supports the Government of Jamaica’s (GOJ) effort to improve the business climate in Jamaica. The TC is consistent with the Update to the Institutional Strategy 2010-2020 and is aligned with the development challenges of innovation. It supports the current IDB Country Strategy (2016-2021), which seeks to support the government in the implementation of reforms to further improve the business climate and the environment for innovation. It complements the Regional Entrepreneurial Asset Commercialization Hub (RG-T2536) which aims to increase the possibilities for commercializing IP assets. It builds on the efforts of JA-CC2046, in that it will further improve the business climate by seeking to fill key gaps impeding the utilization of IP assets as collateral. The project is aligned with priorities defined in the Innovation, Science and Technology Sector Framework Document and with the priorities of the Proposal for the Establishment of the Compete Caribbean Partnership Facility. The project will seek to incorporate the needs of women owned businesses and digital based firms.

**III. Description of Activities and Outputs**

3.1 Component 1: Roadmap and Toolkit for Improving the IP Monetization Culture (US$62,900). This component will finance the development of a 3-year Roadmap for strengthening the IP ecosystem that will prioritize a sequence of activities to be undertaken to encourage an increase in the monetization of IP assets in Jamaica. This component will also finance the development of an IP toolkit tailored to the Jamaican context to bridge knowledge gaps within the private and public sectors on the steps which need to be taken to create, manage, monetize and protect IP assets in Jamaica.

3.2 Component 2: Capacity Building in IP Valuation (US$92,500). This component will fund the drafting of valuation guidelines for the different categories of IP assets (patents, copyrights, designs, and trademarks) adapted to the Jamaican context. There are no uniform global valuation standards, and several different methodologies are currently being used. The component will also finance the design and conduct of workshops for bankers, lawyers, accounts, auditors and insurance risk managers in valuation and valuation techniques in order to build local understanding and expertise in valuation, a necessary pre-requisite for the recognition and acceptance by financial institutions of IP assets as collateral.

3.3 Component 3: Piloting IP Collateralization (US$142,500). Collateralizing IP assets is a novel concept that needs to be tested. This component will finance the research, design, testing and roll-out of a financial product(s) which will use IP assets as collateral, that will eventually be piloted by one or more financial institutions.

3.4 Component 4: Support for the Digitization of JIPO (US$50,000). Data from hard copy applications in the Patent Register and Designs Register will be accurately digitized, verified and re-verified for internal accessibility. A consultancy will design an application programming interface to allow for sharing of data between entities and to allow the public to access and conduct online searches of the registration database. The consultancy will prepare an action plan detailing priority activities that must take place for a fully automated IP administration system. Furthermore, in light of ongoing legislative updates (see annex for more details), the consultancy will also recommend any further regulatory considerations necessary to support digitization efforts, including consideration for the needs of firms operating in the digital economy.

3.5 Component 5: Project Management and Communications (US$85,000). This component will finance a local Project Manager to manage and the development of PR materials highlighting successful cases of IP commercialization in Jamaica, to build public and stakeholder awareness.

3.6 **Component I: Roadmap and Toolkit for Improving the IP Monetization Culture.** 3-year Roadmap for strengthening the IP ecosystem and an IP toolkit guiding firms in how to create, manage, monetize and protect IP assets in Jamaica.

3.7 **Component II: Capacity Building in IP Valuation.** Drafting of valuation guidelines, design and conduct of valuation training workshops to stakeholders key for building valuation expertise.

3.8 **Component III: Piloting IP Collateralization.** This component will finance the research, design, testing and roll-out of a financial product(s) which will use IP assets as collateral, that will eventually be piloted by one or more financial institutions.

3.9 **Component IV: Support for the Digitization of JIPO.** This component will support the on-going efforts by JIPO to digitize the administration of IPRs in Jamaica.

3.10 **Component V: Project Management and Communications.** This component will finance a local project manager and the development of a communication strategy and promotional materials to promote IP monetization.

**IV. Budget**

**Indicative Budget**

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| **Activity/Component** | **IDB/Fund Funding** | **Counterpart Funding** | **Total Funding** |
| Roadmap and Toolkit for Improving the IP Monetization Culture | $ 0.00 | $ 62,900.00 | $ 62,900.00 |
| Capacity Building in IP Valuation | $ 0.00 | $ 92,500.00 | $ 92,500.00 |
| Piloting IP Collateralization | $ 140,000.00 | $ 0.00 | $ 140,000.00 |
| Support for the Digitization of JIPO | $ 50,000.00 | $ 0.00 | $ 50,000.00 |
| Project Management and Communications | $ 60,000.00 | $ 25,000.00 | $ 85,000.00 |

**V. Executing Agency and Execution Structure**

5.1 The Bank, through the Competitiveness and Innovation Division (IFD/CTI) will be responsible for the execution of this project, in collaboration with the Coordination Unit (FCU) of the Compete Caribbean Partnership Facility (CCPF). Project outcome and output indicators will be monitored in the context of the Monitoring and Evaluation (M&E) framework of the CCPF. The sex-disaggregated data collected will feed into the CCPF Results Framework.

5.2 The project execution period will be 30 months with a disbursement period of 30 months and the UDR will be IFD. The activities to be executed are included in the Procurement Plan (Annex IV) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-1 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) GN-2303-20 for logistics and other related services. In Components I and II, JIPO will be procuring goods and services using CDB rules.

5.3 The CCPF, approved under GN-2851, is a program designed to be executed by the Bank, through the FCU established in the IDB Country Office in Barbados. This project will be implemented in collaboration with JIPO. The part-time project manager hired to coordinate project activities on the ground in Jamaica will work in collaboration with JIPO and will be supervised by the bank. The manager will be a local hire and will be supported by JIPO staff as required.

**VI. Project Risks and Issues**

6.1 Sustainability is a key risk that will be addressed through the following avenues (i) creating a supportive culture for IP monetization (ii) partnering with other organizations in the ecosystem that are already working on this topic area (such as the Development Bank of Jamaica (DBJ), the Scientific Research Council (SRC) and the National Commission on Science and Technology (NCST) (iii) working closely with the GOJ which is strongly invested and involved in developing the Security Interests in Personal Property Act (SIPPA), especially with regard to increasing registration of IP assets and other moveable assets in the collateral registry.

**VII. Environmental and Social Classification**

7.1 The ESG classification for this operation is "undefined".