



Addis Ababa University

Technology Incubation and Transfer Policy

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Addis Ababa University, Ethiopia

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Section I: Introduction

1.1 Background

In competitive economies, technology incubation and transfer are the tools that have helped to create new ventures. Technology incubation and transfer constitute a special type of business incubator focused to develop and commercialize the state-of the-art technologies to promote domestic resource exploitation and improve the international competitiveness of national industry. Technology incubation and transfer require frequent and iterative interactions among manufacturing and service industries as well as governmental and non-governmental organizations. Technology incubation and transfer functions pass through the stages of pre-incubation, during incubation and post-incubation to accelerate the adoption of innovations by the industries. Accordingly, strengthening the nexus between universities and industries and amassing the benefits arising from the technology incubation and transfer functions have become a hot policy issue.

In an incubator, a venture progresses from an idea (conception) to early-stage, to a physical product, to the learning and testing, and finally to entry to market. Accordingly, the key factors that affect the growth of technology incubation and transfer activities are access to skills and competencies, access to financing, access to market, and conducive environment for innovation.

Addis Ababa University (hereinafter the “AAU” or “the University”) have been urged to contribute to the industrial and societal economic development through taking on a range of activities including the incubation of start-up firms, knowledge commercialization, and the development of knowledge transfer partnerships. The university has to be the source of knowledge, research, technologies and resources and today’s innovation-driven centers.

Accordingly, AAU should play its role through developing and operating an effective and well-integrated technology incubation and transfer system for promoting, creating and enhancing entrepreneurial spirits. In this regard, certain policy issues have been initiated to strengthen the processes of creating and transferring technologies. However, there is an increasing effort AAU-wide to improve entrepreneurship culture to support technology incubation and transfer activities. This is because, there are still critical challenges that confronted the universities’ efforts to incubate and commercialize real and problem solving technologies via spinouts or startups. The challenges are related with the deployment of resources, including financial

resources; equipment and facilities; administration, and space. The technology incubation and transfer efforts of the university have to be capacitated for the university to actively respond to the industries' technology requirements through innovation. Therefore, this policy addresses the technology incubation and transfer challenges in to strengthen its responsibilities to supporting the scientific research and technological development and commercialization thereby helping to realize the objectives of enhancement of growth and promotion of human capital. The policy builds upon the existing efforts of the university to producing and commercializing new technologies and startups to strengthen the overall economy.

The policy development involved a desktop review of best practice in policy development from different sources. Structured interviews were undertaken with individuals and tenants and discussions with groups representing key players from the university, industry and government to analyze the current practices and requirements by the university and the country. The policy has been developed to apply for a number of years and have an agreed review date.

1.2 Purpose of the Policy

An entrepreneurial environment that delivers consistency and operational efficiency is essential to assist the university-wide efforts of technology development and commercialization. However, though there is a growing effort of AAU to support technology incubation and transfer activities, some challenges still remain to threaten the universities' efforts to incubate and commercialize impactful technologies. The challenges are related to access to infrastructure and financial resources, equipment and facilities, R&D development initiatives and administration, and limited links with knowledge sources. Thus, the development and commercialization of technologies in AAU requires technology incubation and transfer policy that can help to support and enhance the incubation and technology transfer programs and commercialization. Accordingly, the purpose of this policy shall be to build the overall technology incubation and transfer capacity in the number of policy areas such as pre-incubation, during-incubation, and post-incubation activities. It gives a clear description of the core policy areas and what the policy is to accomplish; project application and screening procedures; the key administrative services to be rendered; financing, incentive, and commercialization mechanisms; the overall management and ownership styles, and the ways to monitor and measure the policy.

Accordingly, the purpose of this policy is to build and effective and efficient technology incubation and transfer capacity in AAU through creating:

- an enabling, entrepreneurial, and innovative environment for technology incubation and transfer
- sustainable and strengthened networking and cooperation among the key actors;
- conducive administrative, financing, incentive, monitoring, and cost sharing structures;
- an empowered entrepreneur, and supportive infrastructure for research and development;
- an innovation and technology transfer culture that addresses industrial/community problems

1.3 Definitions of Terms and Expressions

The following definitions of key terms and expressions shall be applicable in this policy document:

Entrepreneurs: are individuals that become tenants in the incubation center to generate an incremental wealth.

Entrepreneurship: a process, which involves looking out for opportunities and creating what will meet these opportunities, through innovativeness, proactiveness and risk-taking.

Incubation Center: a university-based center that provides tangible and intangible services and supports to link technology, talent, capital and knowledge and other resources to speed up the successful development and growth of new start-ups to hasten technology transferring.

Incubation: is a unique and highly flexible combination of business development processes in the incubation center with the application of infrastructure and people, designed to nurture and grow new and small businesses by supporting them through early stages of development and change.

Incubator: a center that accelerates and systematizes the process of creating successful technologies and enterprises by providing them with a comprehensive and integrated range of support, including: incubator space, business support services, and clustering and networking opportunities

Industry: any organizations, institutions, companies, enterprises, plants, firms, communities, associations, or societies, which have the potential for collaborative works in the incubation and technology transfer.

Innovation: integrated activity and a technical solution to create and use new technologies, working systems, inventions and commercialization and marketing mechanisms.

Linkage: any recognized collaboration between two or more actors and stakeholders to achieve a common goal.

Stakeholder: Any entity or organization that takes responsibility, directly or indirectly, financially, technically, commercially and is bound by common goals and objectives.

Startups: any new enterprise established to produce products or services to cater the identified needs.

Technology incubation: These are assistance given to start-ups ventures through the transfer of complex administration and unique environment with the objective of enhancing their opportunities of survival in the early period of enterprise life cycle, and building up their later development

Technology incubation and Transfer: any activity and function within the incubator by which entrepreneurs/tenants receive pro-active, value-added support, and access to critical tools, information, education, contacts, resources to develop and commercialize technologies.

Technology transfer: the process of transferring technology (products, practices, services systems, etc.) created by the incubator to the industry and society through capital and intermediate equipment or trained manpower or technical and business information.

Technology: application of scientific knowledge for practical purposes such as the products, services and systems incubated in the incubation center and commercialized to solve the social and economic problems of a society and improving the standard of living.

Tenant: an individual entrepreneur or a group who demonstrates the capability to take risks with innovative ideas to generate new products or services for new business creation or for the expansion of an existing business in an incubation center to generate revenue.

University: Addis Ababa University

1.3 Abbreviations

| | |
|--------|--|
| AAU | Addis Ababa University |
| IPR | Intellectual Property Right |
| VPRTT | Vice President for Research and Technology Transfer |
| TT | Technology Transfer |
| TIC | Technology Incubation and Transfer |
| UILTT | University-Industry Linkage and Technology Transfer |
| UILTTO | University-Industry Linkage and Technology Transfer Office |
| R&D | Research and Development |

1.4 Objective of the Policy

The policy aims to set the requirements and enabling environment for the university-wide technology incubation and transfer functions aligned with the legislation and the strategic plan of the University as well as with the pertinent national technology transfer policies and legal frameworks in the context. Accordingly, the policy has been established to achieve the following objectives in technology incubation and transfer:

- To describe the core policy areas and what the policy is to accomplish;
- To create project application and screening procedures;
- To illustrate the key administrative services to be rendered;
- To elucidate financing and incentive systems;
- To provide intellectual property administration, commercialization/dissemination, start-ups promotion, and income distribution schemes;
- To formulate the overall management and ownership mechanisms as well as the basic duties and responsibilities of the University, the tenants and other key stakeholders;

1.5 Principles

The policy principles provide the fundamental truth that has to be followed to offer the essential basis of technology incubation and transfer. Therefore, the users of this policy should accept these principles as the essential or fundamental elements of technology incubation and transfer. Accordingly, the underlined technology incubation and transfer projects and activities shall follow the following principles:

- The projects shall be formulated with clear purposes, objectives, scope and contributions;
- Clear application procedures shall be available and deserving applications must be selected based on competitive basis with clear, transparent and fair screening criteria and process;
- The applications should be product-oriented, rooted in R&D, be innovative and at an early stage, have significant market potential, be feasible with available resources, and can be initiated individually or in group;
- The envisioned technology should solve industrial and community based problems;
- The intended technology must ensure sustainable national growth and development;

- Incubation functions shall be supported and operated with full commitments, dedications accountability, responsibility and trust of all the parties involved
- Availability of the infrastructure, resources, workspaces, mentorship, education and access to investors and supports shall ensure consistent, sustainable, effective, and efficient incubation and technology transfer activities and startups;
- The intended technology shall be within the national technological priority areas and shall support the government policies and development goals;
- The incubation center shall encourage and ensure inclusion and participation of internal and external stakeholders;
- The incubation center shall be capacitated with an enabling inputs including financing and incentive systems; intellectual property administration, commercialization, dissemination, start-ups promotion, and income distribution schemes;
- Applications, activities and progresses shall be duly monitored and evaluated and for its smooth operation to its required standard.

1.6 Scope

The policy document accommodates current practices and further address anticipated issues in technology incubation and transfer aligned with the strategic plan of the University as well as with the pertinent national technology transfer policies and legal frameworks in the context. The policy included the policy objectives, scope, principles, functions of technology incubation at the stages in a hierarchy, issues of technology commercialization/dissemination and start-ups promotion, incubation services and incentives for tenants, income distribution issues, basic duties and responsibilities of the University and tenants, and issues of intellectual property administration. This policy shall be applicable to all institutes, colleges, schools/centers, departments, and training and Research Institutions of AAU.

Section II: Policy Application and Coverage

2.1 Personnel Covered

This university-wide policy applies to all AAU's staffs (teaching or non-teaching), students (undergraduates, postgraduates & graduates), visitors (including postdoctoral & research fellows), alumni, sponsors, policy makers, researchers, practitioners, private sectors, and government bodies and other non-employees of AAU who take part in technology incubation and transfer activities of AAU.

2.2 Technology Incubation and Transfer Functions and Activities Covered

2.2.1 Technology Incubation and Transfer Functions

The major activities in the AAU-incubation center can be grouped in to three major divisions: pre – Incubation Functions, during incubation functions, and post – incubation functions. The core activities in each are given in table 1.

Table 1 Technology Incubation and Transfer Activities

| Stages | Pre – Incubation | During Incubation | Post – Incubation |
|---------------|--|---|---|
| Activities | <ul style="list-style-type: none">• call announcement,• application,• selection,• admission• supports for grant application,• Agreement | <ul style="list-style-type: none">• providing supports and facilities (training, networking, resources, coaching and mentoring...)• developing prototypes,• financing, incentivize,• graduations | <ul style="list-style-type: none">• commercialization and business startups,• shares divisions,• fee-based services (training, networking, resources, coaching and mentoring, patent handlings, etc.)• feedback collections to improve services, |

2.2.2 Technology Incubation and Transfer Activities Covered

This policy covers the following technology incubation and transfer activities:

- Project Application Procedure
- Project Admission Procedure
- Administrative Services

- Incentive Mechanisms
- Financing Systems
- Governance Structure and Responsibilities
- University Resource Deployment
- Technology Commercialization, Intellectual Property and Startups Promotions

Section III: Project Application and Admission Procedures

3.1 Project Application Procedure

Call announcement and application procedure shall be carried out through an official process. The call announcement shall be made through the University's website, newspapers and social Medias. The application process comprises of the following steps:

- AAU's incubation center shall announce an annual call for potential applications. Following the call for application, any person who aspires to enroll in an incubation center can apply.
- Following the official announcements by the incubation center, applicants shall fill out an application form prepared by the incubation center. In the application form, applicants are required to clearly, fully, and responsibly describe his/her business idea, business current status, and the services, supports and facility required.
- Completed application forms shall be submitted to the incubation center within the application deadline.
- A preliminary idea review and screening shall be made by assigned committee (panels)
- The assigned committee shall select a potentially eligible candidate based on the evaluation results obtained.
- Typically, a short interview shall be arranged as part of the screening
- An acceptance or rejection decision shall be notified to the applicants in a few weeks

3.2 Project Admission Procedure

Potentially eligible candidates will be requested to submit a business plan for the incubation fund competition. The final selection and admission of viable business plan shall be carried out through an official evaluation and selection process. Accordingly, to join the incubation center, the applicant's business plan shall undergo the following screening and admission procedure:

- The business plan shall be evaluated for its content including value proposition, product or service description, financial requirements, capital structure, milestones and timelines, marketing plan, operational plan, organizational structure, management team, risk analysis, and overall potential for success;
- A screening committee consisting of the team of incubation manager (non-voting) and professionals with expertise in the project's knowledge area or field of specialization organized by the incubation manager shall evaluate the business plan and disseminate the result to the AAU's VPRTT (Board) for final selection;
- The screening committee shall be chaired by the UILTTO or he/her delegate. Applicants shall submit precisely defined business plan to be evaluated at this screening stage.
- If the business plan is accepted by the VPRTT, the center manager shall inform the applicant and s/he receives funding for the project for three years.
- AAU has the right to negotiate the terms of admission depending on the applicant's proposal objectives and characteristics, drawing on the advice of the Board of Advisors as needed.

Section IV: Administrative Services

Administration of technology incubation and transfer services include the provision of dependable structure and guidance for a standardized technology incubation and transfer management to upgrade their understanding, knowledge, and skills to effectively and efficiently develop and commercialize new startups. Accordingly, tenants shall be provided with suitable technology incubation and transfer center that enable them to generate more growth and revenue,

- a strong promotional campaign to increase stakeholders' awareness and support
- access to government and potential private investors and strategic partners
- entrepreneurial environment that support tenants to access knowledge and information sources to improve their creativity, and innovative capability,
- standardized, consistent, preventive, and value-added supports to enable tenants develop their ideas and talents into startups
- space, either in the form of offices, workshops, laboratories or halls available at low cost.
- secretarial support, telephone, fax, Internet, security services, reception and mailing facilities,
- office equipment, meeting rooms, conference facilities, and exhibition space.
- access to financial resources, namely early-stage financing (seed funds, venture capital funds), soft loans and grants.
- technology counseling and research and technology development services, namely in
- risk handling mechanisms to reduce the risks of uncertain events
- assistance to the elaboration of business planning, access to accounting, legal, marketing, licensing and financial expertise.
- networking mechanisms to enable tenants get access to potential private investors and strategic partners.
- conducive working areas with all utilities, access to free computer network and internet, university laboratories, and libraries
- legal services such as patent handling
- access to proper guidance and mentoring by successful paid honorariums
- access to periodic entrepreneurial trainings using successful entrepreneurs
- access to research specialists, matching with partners from universities and research organizations, improving productivity, quality control and maintenance.

- access to providing information on networking possibilities with business actors outside the center nationally and internationally.
- arranging trainings on how to prepare feasibly study/business plan, technical knowledge and skills, entrepreneurship education, commercialization, management of starting and operating business startups and writing scientific publications.

Section V: Incentive Mechanisms

The incentive mechanisms should encourage technology developers to put their new ideas, special skills and abilities into new businesses. Accordingly, the following incentive mechanisms for technology incubation and transfer shall apply AAU-wide:

5.1 Workload Deduction

- For all academic staffs engaged on technology incubation and transfer project, a three credit hour workload deduction per week equivalent to staff project shall be applied;

5.2 Staff Promotion

- Products/services that successfully passed through the center and 100% completed shall serve for academic staff promotion according to the AAU's legislation. Corresponding to the worth of their project's 100% completion, technology developer(s) shall be given certificate of completion by the chair of the board of directors.

5.3 Creation of Conducive Work Environment

- AAU shall create responsive work environment for technology incubation and transfer through providing the required facilities, logistic services, business consultancies, entrepreneurial culture, and different capacity building programs.
- AAU shall promote connectivity of stakeholders (such as with public, banks, donors etc.) through the University web page, mass and print media, discussion forums, demonstration, exhibition, and others
- AAU shall hold annual award competitions and award best technology incubation and transfer projects
- AAU shall create the arrangements so that patents can be used as a collateral for securing funds
- AAU shall avail tax incentive mechanisms to accelerate technology incubation and startups.

Section VI: Financing Schemes

Applicants should clearly demonstrate the financial requirements (using business plan) of their project such as costs and revenues and explore the potential sources of financing. The funding schemes for the projects shall look for diversified means of financing. Accordingly, the following financing mechanisms for technology incubation and transfer shall apply AAU-wide:

- The incubator project grants procedure starts awhile the project's business plan proposal has been accepted and approved;
- A grant is often provided by the university for covering the costs of the tenant
- Applicants shall also be advised to secure additional finance from other source(s) such as from the government, the private sectors, banks, the international sponsors etc..
- The incubator associate director shall support the technology developers thoroughly understood and applied for the additional funding possibilities;
- Finances secured from external sources shall be administered according to relevant financial laws of AAU;
- Payments shall be effected in installments as per the terms of agreement in the business plan.
- Where more than one funding sources are possible, the parties involved shall sign agreement on the terms relate to raising the fund and income distribution.
- When need arises, special financial provisions shall be allocated to hire external expertise for consultancy, coaching, training programs etc. to support the tenants;
- The VPRTT of AAU shall approve the finance granted for tenants.

Section VII: Income Distribution

Businesses can be formed as startups, joint venture, selling or licensing agreements as per the agreement described in the business plan. Revenues generated in the form of cash royalties and/or equity holdings shall be distributed to encourage individuals and academic units' commitments and motivations towards technology development, intellectual property the development, technology transfer and business creation. Accordingly, the following incentive schemes for income distribution shall apply AAU-wide:

- Gross income can be derived in the form of cash royalties and/or equity holdings
- Total expenses incurred in the process of creating, promoting, transferring, protecting university rights and/or the rights to the property of the creator, selling, etc. calculated
- The deductible does not include the cost associated with the use of non financial resource of the university
- Net revenue shall be calculated as gross income minus total expenses
- The distribution of net revenues shall be made to the university and technology provider/tenant according to the following scheme:
 - ✓ Technology provider or tenant _____ 70%
 - ✓ University _____ 30%
- The stipulated university's share shall also be distribute in line with the following scheme:
 - ✓ College/Department/laboratory _____ 15%;
 - ✓ Education institutions' Intellectual Property and Technology Transfer Office including other contributors _____ 10%;
 - ✓ Contribution for Income Fund to be established as per article 63 of Higher Education Proclamation _____ 5%;
- The inventor's and breeder's royalty fee shall not cease upon the termination of employment and/or upon death.
- In the event of the death, his or her share shall be transferred to his spouse and legal heirs.
- Unless agreed otherwise, the share of multiple technology providers shall be presumed to be equal.

- If a university unit, such as an academic department, fully sponsors the development of an intellectual property, the unit shall be considered inventor/creator and shall also receive the inventor's/creator's portion of the distributed income.

Section VIII: Governance Structure and Responsibilities

The incubation and technology transfer governance structure shall provide an integrated and comprehensive management and business support mechanisms. This in turn shall provide a favorable environment with all the necessary entrepreneurial development and funding opportunities to ensure the tenants transform their ideas into profitable businesses. Furthermore, the governance structure shall support entrepreneurs with the expertise, networks and tools they need to facilitate the creation and nurturing of ideas and inventions into value-added and technology-based enterprises. The governance structure is given in figure 1. The duties and responsibilities of different responsible bodies in the structure are defined below.

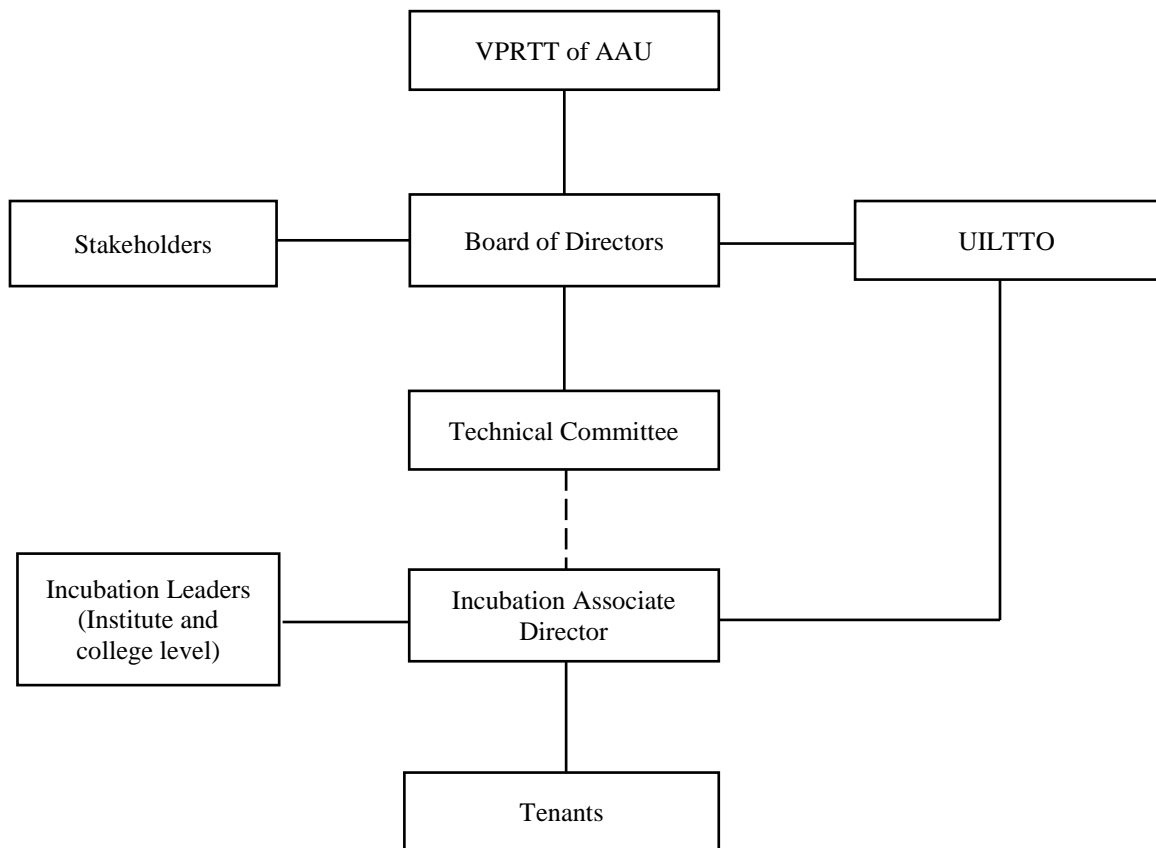


Figure 1 Technology incubation and transfer governance structure

AAU-VPRTT

AAU-VPRTT shall have the following responsibilities:

- form a strong board of directors in consultation with the UILTTO. The board members shall be made up of the following members:
 - VPRTT of AAU;
 - Academic Vice President AAU;
 - Vice President for Institutional Development;
 - Vice President for Administration and Student Service, AAU;
 - UILTTO, AAU;
 - Representative from various stakeholders such as Ministry of Innovation and Technology, Ministry of Industry, Federal Micro and Small Enterprises Development Agency, Ethiopian Commercial Bankers Association, Ethiopian Development Bank, MIDROK Ethiopia;
 - Incubation Center's Associate Director
- make each board member understood what is expected of them to be accountable to the incubator operations;
- shall stay in loop on all board activities and develop solid relationships within board members;
- shall act as a direct liaison between the board and AAU;
- make sure that the overall direction and environment of technology incubation and transfer can stimulate a viable technology incubation and transfer functions that can convert innovative efforts into profitable enterprises;
- ensure that technology incubation and transfer center has been provided with value-added infrastructure and other resources;
- shall ensure that the incubation center is expanding across institutes and colleges
- make sure that the technologies developed have promoted national growth, generated jobs, incomes;
- shall chair the board of directors' meetings;
- ensure that the budget fits the center's financial requirements, and shall approve budgets, financial requirements and proposals for the incubation center.

Board of Directors

The following points outline the major responsibilities of the board of directors:

- shall appoint technical advisory committee in consultation with UILTTO of AAU;
- shall have the highest legal responsibility and accountability to govern the center;
- shall play active participation in an overall strategic planning process, policy setting and monitoring of the center's programs and services;
- shall review and create the mission, vision and value statements of the center that shall express the center's goals and operations;
- shall recommend and protect the necessary infrastructure and assets for the center;
- shall review and amend budget proposals, financial flows and financial statements;
- shall hear to the reports of an audit findings and take proper actions whenever deviations exist
- shall authorize the technical advisory committee to seek any data, information or on any matters related to the center from any institute/college/school/department to perform its duties;
- shall ensure that all the legal and ethical values and standards are followed and the center is appropriately managing their assets and resources;
- Oversee technical advisory committee meetings and empower the committee to complete their duties;
- Coordinate and support the board's annual performance evaluation.

Technical Advisory Committee

Members of the technical advisory committee shall be appointed by the Board, in consultation with the director of UILTTO of AAU. The Committee shall be made up of at least 10 members and mainly consisting of university academic staffs and members from the private sectors. The Technical Advisory Committee shall meet at least twice a year. Director for UILTTO shall chair their meeting and the associate manager of the center shall be used as a secretary.

Technical Advisory Committee shall have the following responsibilities:

- advise the Board in fulfilling its oversight responsibilities on technical matters to stay abreast of emerging concepts and practices, new technologies, and development programs in its technology incubation and transfer program;
- support the Board in achieving its oversight responsibilities on regularly reviewing and updating the strategic goals, policies, mission and vision, and objectives and the performance of the center's technology incubation and transfer operations;
- provide professional supports to speed up the creation and commercialization of technologies by effectively linking talents, technology, capital and know-how
- assist the Board in upholding and protecting its resources such as infrastructures and assets, grants, collaborative efforts, venture capital etc.;
- help the Board with its oversight responsibility on reviewing and amending budget proposals, financial flows, financial statements, and audit findings;
- support the Board with its oversight accountability on the center's conformance to legal and ethical values and standards
- shall assist the associate director for the incubation center with consulting, coaching, mentoring and training the tenants in their field of expertise.
- Support the UILTTO and associate director for incubation center in screening and evaluating applications

UILTTO

Director for UILTTO of AAU shall have the following responsibilities:

- provide tenants with a thorough understanding of developing a business plan;
- support tenants with identifying, assessing and understanding market places and reaching key customers;
- provide tenants with the required resources and facilities;
- support tenant to partner with external incubators and stakeholders such as the government, financial institutions and R&D centers
- ensure that the incubation projects are focused, effective, profitable and relevant to the country's needs

- work to upgrade and diversify incubation centers in all the institutes and colleges as necessary
- support initiatives of developing or upgrading incubation centers to science and technology parks
- announce annual calls for technology incubation and transfer applications and oversee the overall applications evaluation, screening and admission processes
- organize annual national/international workshops, seminars and poster exhibitions for the products of incubation centers
- support potential entrepreneurs to attend workshops and seminars (national and/or international) to further enrich their ideas and to facilitate joint exchange of knowledge, skill, and technology
- serve as a chairperson for the technical advisory committee. S/he shall report formally to the Board on its proceedings after each meeting on all matters.

Associate Director for Incubation Center

Associate director for incubation center shall be responsible for leading the incubator operations. S/he shall support the UILTTO and the technical committee in fulfilling their oversight responsibilities in a number of areas and functions as well as to lead the day-to-day operations of the center for creating an environment conducive to the growth of the center to create high technology based enterprises.

The following points outline the major responsibilities of the associate director for incubation center:

- Support UILTTO and the technical committee in fulfilling their oversight responsibilities on providing tenants with the expertise, networks and tools they need to develop a business plan and make their ventures successful;
- support entrepreneurs with the development of technology based enterprises, assist in completion of the technologies under development within schedule and budget;
- promote technology transfer, technology commercialization, technology diffusion and encourage entrepreneurship spirit among tenants;

- Support UILTTO in fulfilling its oversight responsibilities on linking the center to knowledge sources including other universities, technology transfer agencies, research institutions, laboratories, skilled R&D personnel, key customers, etc. ;
- Shall develop instruments to regularly evaluate the progress and growth of each projects in the incubation center and prepare summary for discussion and improvement at the technical committee level (and Board when necessary) and prepare an action plan for the changes or improvements to be made and provide feedbacks to the tenants;
- Support UILTTO in fulfilling its oversight responsibilities on providing tenants with the required resources and facilities so that they shall be focused, effective, profitable and relevant to the country's needs;
- Ensure that best practices are employed within the center's system and day-to-day activities for the entrepreneurs to improve skills and the chances of success;
- facilitates access to mentors, trainers, guest lectures, coaches, counselors, and information sources to make sure that there is a balance between product development skills and commercial skills of the tenants;
- Support the board and UILTTO in fulfilling their oversight responsibilities on upgrading and diversifying incubation centers in all the institutes and colleges as necessary and initiatives of developing or upgrading incubation centers to science and technology parks;
- Coordinates the announcement for annual calls for technology incubation and transfer project applications and the organize the screening, evaluation and admission processes;
- Support tents to use promotion systems such as free listings in directories, business support websites, yellow pages, articles and newspapers, magazines, search engine optimization, SMS campaigns, newspaper inlays, etc.
- Support UILTTO in fulfilling its oversight responsibilities on organizing annual national/international workshops, seminars and poster exhibitions for the products of incubation centers
- For an academic staffs engaged as an associate director position for the incubation center, a seven credit hour workload deduction per week equivalent to associate directors load deduction as per AAU's legislation shall be applied;

Tenants

Tenants shall have the following responsibilities:

- Within the three years, tenants should develop a prototype of their products or services and make ready for commercialization;
- Products or services shall exit out of the incubator at least at the end of the third year.
- Tenants shall pay focus on using the facilities in the incubator and in the university based on pre-defined schedule and program;
- Tenants shall use the potential marketing channels to commercialize startups or licensing innovations
- Tenants shall enhance their commitment and motivation to business plan preparation, product/service design and development, verification and validation, regulatory approvals, and product/service release and post-marketing activities to ensure the commercial success of their product and services
- Tenants shall demonstrate that they acquired the necessary networking, technical, financial and marketing skills and shall take trainings when gaps prevail. Shall always consider themselves as lifelong students in an incubation center for their rapid growth and always find additional skills appropriate to their stage of development;
- Shall review their progresses on regular basis and prepare an action plan on the changes or improvements to be made;
- Shall ensure that their products demonstrate a high market potential and they meet the expectations of the financing agencies;
- Shall attend workshops and seminars (national and/or international) to further enrich their ideas and to facilitate joint exchange of knowledge, skill, and technology
- Tenant shall have access to and use of university resources (such as labs, workshops, etc.), information, trainings *facilities*, and other resources that are otherwise unaffordable or inaccessible
- Tenants shall use provided university resources in the center and outside the center in compliance with the safety procedures and operation manuals and any misuse of the resources shall lead to disciplinary actions according to the relevant AAU's rules and regulations.

Stakeholders

The incubation center shall demand the support of various stakeholders, associations and local business for the creation of value-added products and services that shall address societal and industries problems.

Stakeholders shall have the following responsibilities:

- Shall ensure that the qualities of the management team and the abilities to plan and lead the center are in place.
- Shall ensure that the center generates new sound ideas and products and is working on market driven product/technology
- Shall facilitate networking and collaboration to support the in-house (AAU level) development of human, technological, financial, and organizational resources through training, coaching and counseling and to find externally available skills and expertise appropriate to the development of technologies in the center.
- advises the start-up companies with promotion of the startups, marketing assistance, assistance in conducting business plan and business counseling
- shall promote networking and collaboration between the center and the private sectors to help tenant companies get financial supports
- Shall support the organization of annual national/international workshops, seminars and poster exhibitions for the products of incubation centers

Incubation coordinators at respective institutes and colleges

- Shall be the prime contact person for the incubation associate director and director for UILTTO
- Shall grant tenants to have access to libraries, laboratory, specialized facilities etc.
- Shall recommend if outsourced or equipment can be procured on rental if it is cost effective.
- For all academic staffs engaged on coordinating technology incubation and transfer project at **institutes and colleges levels**, a three credit hour workload deduction per week equivalent to staff project shall be applied;

Secretarial Services

- Shall be appointed by the UILTTO and serves as a secretary for the incubation center
- Shall also serve as a receptionist in the center
- Liaising with the associate director for incubation center to plan meetings and ensure that meetings are effectively organized and minuted and circulated;
- Shall support tenants are provided with printing services

Section IX: University's Resource Deployment

The university resources are the laboratories, workshops, libraries and library journal, safety programs, website and university Medias, computer labs, bookstores, etc. The AAU's innovation performance and success relies on the deployment of these resources for the tenants.

- The incubation center shall make the required facilitations in collaborations with the incubation coordinators at respective institutes and colleges and provide the tenants with the resource facilities (laboratories, workshops, etc.) and its maintenance for the incubator's operations.
- Academic programs/schools/departments and centers shall understand and avail the necessary resources required by the incubation center tenants based on the agreed upon schedule submitted in advance;
- The university shall offer the following services free of charge for each tenant: laboratory facilities, libraries and library journal, safety programs, website and university Medias, computer labs, bookstores, working space; telecommunication services; printing and internet access, receptionist and secretarial support; meeting and presentation rooms; and coordinated access to venture capitalists, business consultants, lawyers, and accountants etc..

Section X: Technology Commercialization, Intellectual Property and Startups Promotions

The transferring of technologies and research outcomes to the market through commercialization channels is a great benefit for university and the industries. Developing marketing strategy, marketing plan, market research, and use of different marketing channels help to increase the visibility of startups. For the businesses to reach their targeted customers there shall be dedicated marketing channels (websites, email marketing, social media, content marketing, and/or offline promotion) as essential components of the startup marketing strategy. Hence, the success of the startup marketing campaigns should be measured.

Accordingly, technology commercialization and startups promotions shall have the following crucial considerations:

- Tenants shall be trained to understand basics of marketing processes, components and techniques to develop marketing strategy, marketing plan, market research, and use of different marketing channels to prove startups productive.
- Enable tenants to oversee their products' or services' value proposition
- Tenants shall be trained with the understanding of the new venture development process related to technology commercialization
- Work with technology transfer professionals in setting appropriate expectations for the funders and sponsors of technology transfer offices and incubators.
- Commercialization of the technologies shall be through licensing an invention, developing a new product or service, or creating a new business.
- Technology commercialization may involve a finished new technology to market, expanding of existing companies' product lines, or commercializing an earlier stage development.
- The intellectual property for technology creators or adaptor needs to be protected by mandate given to Ethiopian Intellectual Property Office (EIPO) by either patents, copyright, trademarks, design, or whatever other appropriate rights.
- The University has the right to negotiate and enter into agreements regarding the use, commercial development, distribution, publication, transfer, and other exploitation of intellectual property according to University's IP Policy.

Section XI: Policy Implementation, Review, and Reporting Schemes

Policy Implementation

- This policy shall be implemented to support the planning, execution, reviewing, controlling and improvement of technology incubation and transfer activities and services in AAU. AAU-VPRTT shall have the responsibility for the policy implementation;
- Through the coordination of the UILTT Directorate Office and Supervision of the VPRTT office, a detailed working procedure or guideline including detailed overhead cost-sharing shall be generated.
- Procedures that are not aligned with this Policy may be adopted by a committee formed by the VPRTT at the request of the UILTT Directorate Office.

Policy Review

- This policy shall be reviewed and updated every five years. UILTTO shall take the responsibility for the review and update.

Section XII: Policy Enforcement, Approval, and Version control

Policy Enforcement

This policy shall be enforced throughout the University in all academic units. Violation of this policy shall result in the poor management and operation of technology incubation and transfer in AAU. Any mismanagement of this policy shall result in disciplinary measures according to relevant AAU's Discipline Rules and Regulations.

Approval

This policy is approved by the senate of AAU

Version Control

| Document and Version control | |
|------------------------------|--|
| Prepared By | University-Industry Linkage and Technology Transfer Office |
| Authorized By | AAU Senate |
| Published Location | UILTT and AAU Websites |
| Version | UILTT Policy Ver. 01/2022 |

Contacts

AAU University-Industry Linkage and Technology Transfer office shall be the main contact office for this policy; followed by Research and TT offices in each College or Institute.

Related Documentation

This policy shall be used in conjunction and reference to the following Policies

- Higher Education and Training, Research Institutions and Industrial Linkage Policy and Strategy
- AAU Legislation
- AAU IP Policy
- AAU Research Policy
- AAU Incubation Center Establishment documents
- Council of Ministers Regulations on Higher Education, Training & Research Institutions, and Industry Linkage (HETRIIL)

Section XIII: Dispute Resolution

In case of dispute among parties involved in technology transfer projects undertaken in the University, the principal investigator of the TT project and the academic unit shall resolve the issue with due respect to the guiding principles of this policy and professional ethics. Unresolved disputes shall be communicated and further investigated by College and institute associate dean's office for research and technology transfer and AAU UIL-TT director office respectively.

- Dispute management shall aim at transferring technologies to relevant stakeholders and build national technological capability;
- Misconducts in technology transfer shall result in disciplinary action by the University;
- Disputes arising from IPR issues shall be governed by AAU IP policy unless indicated in the initial agreement with the hosting organization;
- If disputes cannot be resolved by the prevailing University systems, the dispute shall be resolved using the application of Ethiopian laws and courts.