ANNEXURE "A"
SEED FUND GUIDELINES

The purpose of the TIA HEI Seed Fund (Fund) is to assist universities in bridging financial requirements to translate their research outputs into fundable ideas for further development.

Fundamentally, the fund is expected to increase the quality and quantity of project proposals to other TIA funds; and improve the commercialisation probability of South African technologies that emanate from universities.

The fund is a limited resource made available to HEIs and assistance is being provided for an agreed set of focused activities with clear deliverables, at least one of which should be a viable plan for taking the idea forward, which can be considered by other possible funders including TIA.

The partner HEI's Seed Fund Committee, together with TIA's Seed Fund Programme (SFP) unit will monitor the applicants' performance against submitted activities and milestones. Additional information gained will be used to manage the intellectual property position and associated competitive advantage to the benefit of the HEI.

Applicants performance monitoring may include the scope of work planned, the budget, schedule, team performance and identifying partners and facilitators who can assist in achieving the intended outcomes. These activities should be part of the of project management activities that Technology Transfer Offices ("TTOs") conduct as part of their roles and mandates at HEIs. It is also highly recommended that an activity- and milestone-based project and performance management approach is adopted to track progress made in projects. Attention to the financial reporting made in projects is also required.

Qualifying applicants will include university-based inventors and intellectual property (IP) custodians who aim to further develop the HEI's opportunities. This includes university spin-off companies who are commercializing technologies based on the output of university research and development and IP.

1. Fundable activities:

The following is a list of fundable activities that the applicants may undertake to bring them closer to proof-of-concept (fundable activities can be outsourced to a service provider):

1.1. initial product, process (comprehensive technology package) and prototype development;

1.2. sourcing of intellectual property opinions;

1.3. production of market samples and/or associated testing;

1.4. refining and implementing designs;

1.5. conducting field studies to test the assumptions made about the technology, market and/ or customer needs;

1.6. support of certification activities and specification sheet development;

1.7. piloting, and technology scale-up;

1.8. techno-economic evaluation studies;

1.9. detailed primary market research; and

1.10 business plan development.

2. Non-fundable activities include:

2.1. salary contributions to HEI staff members;

2.2. early stage research projects;

2.3. student bursaries, research projects and extended periods of work. Students can be contracted to perform specific tasks that are only directly related to the project; and

2.4. equipment, except for specialized equipment that is within the budget constraints and required to enable qualifying activities.

3. The investment parameters for the application are as follows:

3.1. grant funding;

3.2. protected or protectable intellectual property is required;

3.3. up to R650 000 (five hundred thousand Rand) will be provided per project; and

3.4. TIA receives first right of refusal to fund further development of the outputs of the project.

4. Application process

4.1. Complete application packs must be submitted to the designated TIA Seed Fund Programme email address: seed.fund@tia.org.za .

4.2. Application packs must include: fully executed copies of completed application forms received by the HEI and a letter indicating the HEI's priority list of applications.

4.3. Each project seeking seed funding must complete and sign a TIA Seed Fund application form. Incomplete application forms will not be assessed.

4.4. In reference to the application form accompanying this letter, please note applicants should be advised that the application form has mandatory sections that have to be completed to aid in TIA's assessment and monitoring. HEIs may customize the application form to meet their own requirements; however the mandatory sections should not be customized. Applicants are therefore recommended to engage their TTO or equivalent.

4.5. Application packs received after the due date will not be considered.

4.6. The HEI should ensure that the project's budget does not exceed the amounts per project stipulated in the investment parameters set out in paragraph 3 above.

Recommendation on the prioritization of applications:

It is recommended that the following criteria are taken into account when HEIs are compiling their priority lists (in no particular order): the objectives the Seed Fund, the goal and impact of the project, the market need, stage of development, planned fundable activities, team's ability to execute the project within the stipulated time line, and the likelihood of receiving follow on funding from TIA or any other funder once the goals have been achieved.

4.7. Once application packs are received, TIA's SFP unit will assess the basic requirements of the fund that have been met by reviewing the applications in the order of the HEI's priority list.

Side note explanation of TIA's evaluation:

The SFP Unit will first consider the following primary assessment criteria:

- Whether the application fits with the Seed Fund Programme mandate; i.e. post technology readiness level 2 and pre-commercialisation,

- Whether the proposed project and applying team have a direct link to the HEI through employment or an intention for the valorization of the HEI's intellectual property

If the primary assessment criteria are not met the project will be deemed not fundable. Furthermore, the Unit will note secondary assessment criteria:

- Whether a clear, relevant need has been articulated by the applicant,

- whether the planned budget and activities will enable the applicant's objectives,

- whether the planned work will progress the project along the technology readiness level value chain,

- whether the project timeline is feasible given the scope of the project,

- whether the outcomes will add to the valorization of existing or potential IP that may emerge from the project, and

- the likelihood that the planned outcomes and outputs could qualify for follow on funding from TIA or other funders.

4.8.   TIA's SFP unit may engage with the HEI representatives and the applicant if any queries arise in their review of the application. Any recommendations that TIA's SFP unit will make after their assessment will be noted in the award letter.

4.9.   TIA intends to formally notify the HEIs of their funding decision within 4 weeks of submitting applications.

4.10.   The funding decision may include suggested revisions to the applications from the HEI's which have been noted by the Steering Committee and for following up purposes with the applicants.

4.11.   HEIs will thereafter submit their invoices & signed contracts (where applicable) and copy of a valid SARS Tax Clearance Certificate to effect payment from TIA.

4.12.   Invoices received after the end of the relevant financial year will not be processed.

5.   Monitoring and evaluation

The HEI Seed Fund Programme will be monitored and evaluated as follows:

5.1. Each HEI will report quarterly to TIA indicating the activities, milestones reached and any notable achievements of the project.

5.2. The following application achievements must be reported by the HEIs and evidence should be submitted to substantiate these: the completion of the intended prototype or technology, market reports, copies of IP registration documents, outcome reports of trials, award letters where applicants have secured follow on funding or additional financial or non-financial support from the HEI or any other entity, license agreements, contracts and/or purchase orders where outputs have been commercialized.

5.3. HEIs are encouraged to include any multimedia to demonstrate these where applicable.

5.4. Quarterly reports shall be completed on the TIA template provided.

5.5. Where projects have closed, HEI's must provide TIA with a close-out report on the template provided by TIA.

5.6. Each HEI must schedule quarterly steering committee meetings to discuss the HEI's performance with respect to the project, the financial status of the HEI's fund, administrative and process challenges as well as proposing any amendments to TIA.

5.7. TIA will conduct an annual evaluation of the individual HEI's performance and the overall performance of the funds allocated to the institution.

6. Governance model

6.1. The HEI must host a Steering Committee meeting at the institution and ensure that it is empowered by a valid Terms of Reference.

6.2. Quarterly review of overall Fund performance is undertaken by the HEI Steering Committee in so far as it concerns each HEI.

6.3. The TTO must submit a quarterly report prior to a Steering Committee meeting.

6.4. Once approved and signed by the Steering Committee, the report must be submitted to TIA.

6.5. An annual performance measure report must be submitted to TIA through the Seed Fund Manager from the HEI's TTO.

6.6. TIA's Investment Audit unit may audit the HEI Seed Fund annually and the Investment Audit Report.

6.7. Any areas of concern must be communicated directly between TIA's Seed Fund Manager and the Institution's appropriate Deputy Vice Chancellor or responsible official.

6.8. Each HEI must devise a proper mechanism and governance structure involving the appropriate experts to evaluate the applications for Seed Fund support (see proposed committee below in clause 7).

7. The Management/Steering Committee at each HEI, as appointed by the Deputy Vice Chancellor responsible, should preferably include the following:

7.1. TIA representative;

7.2. a member of the finance department of the HEI;

7.3. the Head of the TTO;

7.4. an industry expert if necessary;

7.5. a member from the faculties of Science, Engineering and Health Science or the appropriate technical expert.

7.6 A representative from COSTECH in Tanzania