



technology innovation
A G E N C Y
Innovating Tomorrow Together

Grassroots Innovation Programme



science, technology
& innovation

Department:
Science, Technology and Innovation
REPUBLIC OF SOUTH AFRICA

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1. BACKGROUND

1.1. The Grassroots Innovation Programme

The Grassroots Innovation Programme (GIP) is a strategic intervention to support the needs of grassroots innovators. This programme forms part of broader interventions under the Innovation for Inclusive Development (IID) intended to support innovations for tackling unemployment, poverty and inequality through innovation in South Africa. A grassroots innovator is an “individuals who undertake innovations to solve local challenges using local resources and capabilities through working outside the realms of formal innovation institutions”.

1.2. Aims and Objectives of GIP

The programme seeks to fund and support innovative solutions that have a market need or the potential to address challenges in communities. It is targeted at grassroots innovators, who are “individuals undertaking innovation to solve local challenges using local resources and capabilities through working outside the realms of formal innovation institutions”.

The primary objective of the GIP is to:

- identify grassroots innovators in South Africa across all the provinces;
- assist them to enhance their innovations and skills through a range of interventions including funding and business development support towards pre-commercialisation; and
- developing and exploiting innovative solutions that have a market need or the potential to address challenges in communities.

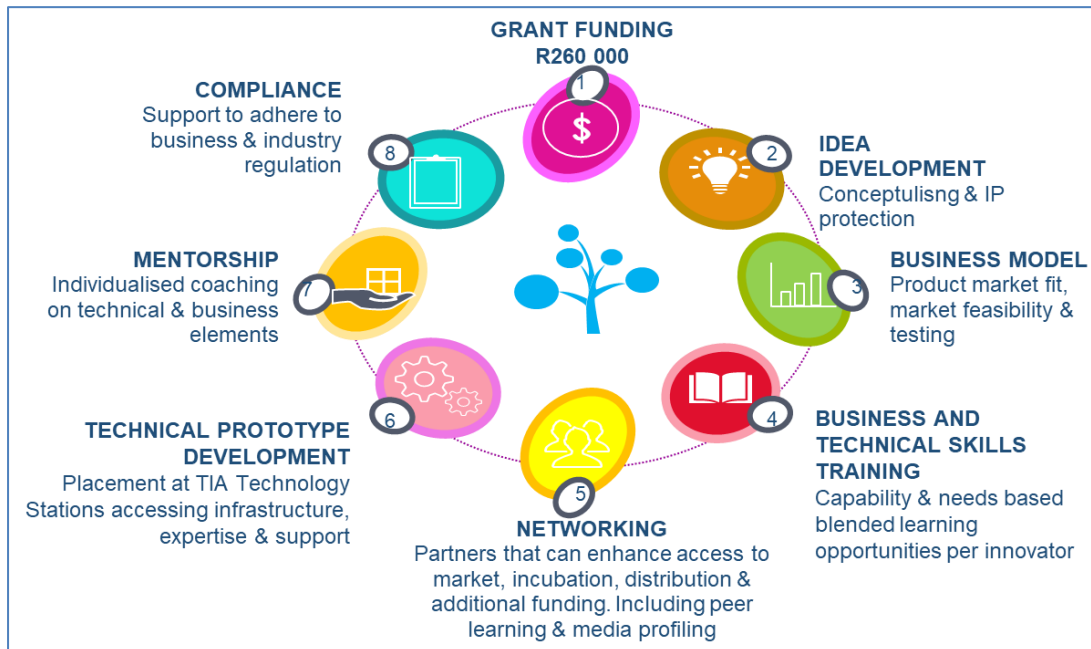
This should create a critical mass of innovation based Small Medium and Micro Enterprises (SMMEs) through enhancing the capacity and capability of the innovators, assisting them to protect and commercialise their innovations.

1.3. Impact of the programme

The long-term impact envisaged is a programme that assists and supports the grassroots innovators to create technology-based profitable businesses and generate their own income and create jobs; hence promotes the realization of tangible economic benefits.

1.4. Funding

GIP is funded through a support package which is complemented through various initiatives and incentives through partnership with public and private institutions inclusive of institutions that facilitate IP protection, supplier development and technology development.



GIP offers a grant funding of R260 000.

- From the funding of R260 000, a project fee of R60 000 is utilised to enable mobility of the innovators and their participation in their projects.
- R200 000 is provided mainly for technology development and other services.

2. OFFERINGS AND SERVICES

The offerings are as follows:

2.1. Technology Development

Funding is allocated through a voucher mechanism to higher education institutions, science councils and other service providers. Support is provided for:

- Development and production of fully functional prototypes;
- Specialised equipment to enable innovation activities;
- Introduction of proof of concept where a viable business case is demonstrated.

2.2. Business Development

Business development is provided to recipients in partnership with role-players in the ecosystem for:

- Training and mentoring
- Business case development
- Networking opportunities
- Market and industry reports
- Market Analysis
- Personal and travelling stipend in support of innovation
- Incubation and business acceleration support
- Capability and needs-based blended learning opportunities per innovator and business creation skills

2.3. Compliance and Registration

- Intellectual Property registrations
- Compliance of already registered businesses
- Support to adhere to business and industry regulations and standards

GIP support package offered to innovators and the mechanism to disbursement the offerings is shown in the table below:

Support Item		Estimate Cost
Stipend	The stipend is an allowance made to support the innovator through the technology development process. It allows the innovator to perform a project manager role and is used for activities in support of the innovation.	R60 000. Quartely disbursement of R15 000 to innovator.
Technology Development	R200 000 for the following services	
Ideation	This is a creative process of developing and creation new ideas. The innovator is taken through a learning process of thought cycle from innovation, development to actualization. A Design Thinking methodology is deployed. The outcome of an ideation process results in a novel idea that can be tested through research and development. Early stage research projects (basic research) may be considered if it could lead to technology in a new market and could lead to a frontier technology	

Technical Feasibility Assessment	It is important to ensure the solution been proposed by the innovator is feasible and cost effective. Feasibility of the proposed solution is undertaken by TIA's Technology Station.
Research and Development Activities	Should the solution require research and development to prove the concept or to diversify the product range, research and development will be sourced through universities, science councils, Technology Stations or Technology Platforms.
Technology Prototype/ APP Development	Through the infrastructure support and expertise at TIA's Technology Stations or Platform, the prototypes are developed and tested. Prototype development where the capability is not found in the Technology Stations or Platforms is outsourced to service providers / private companies.
Intellectual Property Protection	TIA will conduct a novelty search of all solutions recruited into the programme. For solutions that have protectable intellectual property, a budget is provided for a more intensive IP search and SA patenting or other forms of IP protection e.g., trademarks.
Compliance and Regulatory Approval	This budget is used for compliance and regulatory requirements for a product to be used by consumers. The product may require SABS approval or any other regulatory requirements by the sector.
Marketing Readiness	As part of the programme's business development activities, a budget is provided for market testing and marketing collateral required to showcase and/ launch the product in the market. This can take the form of exhibition material, business cards, animated product videos etc.
Mentorship and Incubation	The innovator will be placed in an approved programme offered through TIA's partners. A mentor will be assigned to the innovator to assist with the technical aspect of the project as well as the business development.
New Enterprise Creation	The innovator will be assisted through the process of creating a new enterprise through the incubation programme. The programme could also assist in providing legal advice on contracting, NDAs and Intellectual Property negotiations.
Trainings	The innovator will be provided with the necessary Innovation Skills such as critical thinking skills, etc.

3. GOVERNANCE ARRANGEMENTS

This section outlines the governance, delegation of authority and roles and responsibilities for each of the key role players identified for the programme.

3.1. The Implementing Partner Assessment Committee

The GIP applications are evaluated by the Implementing Partner Assessment Committee formed by Implementing Partner based on set criteria and recommends shortlisted applications to the TIA. The Implementing Partner Assessment Committee may include

nominated representative from the Implementing Partners, TIA, provincial department, government department, sector partners or private sector partners to provide the requisite expertise to the Committee.

The Implementing Partner Assessment Committee will be responsible for the following:

- Screening, reviewing, assessment and technical feasibility of applications;
- Making recommendation to TIA on potential applications;

3.2. TIA Investment Committee

The role of TIA is primarily to maintain oversight of the programme, its performance, governance and ensuring that it contributes to the realisation of the objectives of the programme. TIA will be responsible for:

- making approval decision of the applications recommended by the Implementing Partner Assessment Committee.
- noting decision taken by the Implementing Partner Assessment Committee.
- recommendation for approval to TIA Executive Committee for approval in line with the TIA Delegation of Authority matrix.

3.3. Projects Approval

Depending on quantum of funding requested for approval, TIA's Delegation of Authority on programme funding will be applicable in terms of approving the projects.

3.4. Roles and Responsibilities of Key Role Players

3.4.1. TIA

TIA will administer the Programme, monitor progress and share key learnings with actors within the system of innovation for continuous policy development.

The TIA will be responsible for:

- Providing funding to the programme
- Setting the parameters for the operations of the programme
- Providing strategic directions and input.
- Facilitate partnership in the national government level
- Participating in governance structures set up for overseeing the programme
- Central application process

- Centralised Communication
- Provide opportunities for follow on funding, internationalization through TIA's programmes
- Contracting with the Partners
- Managing relationship with the Partners
- Conducting monitoring and evaluation of the projects with the Partners
- Develop draft Terms of Reference (TOR) for the committees
- Providing secretarial support for committee meetings; and
- Participate in governance structures set up for overseeing the programme

3.4.2. Partners

The Partners will be responsible for:

- **Pre-investment Phase:** Form an assessment committee including a TIA representative, issue GIP's call for proposals, assist innovators to complete applications, concept ideation and development training, participate in the assessment of the applications, conduct due diligence on the shortlisted applications, present a portfolio of projects for TIA approval.
- **Contracting:** Contracting on a portfolio of approved projects, project scoping and planning.
- **Investment Phase:** hosting project definition workshop with the beneficiaries, disbursement of funds to the projects, providing support for technology development, business development, incubation, mentorship, training, networking, assist in seeking follow-on funding, preparing projects for follow-on funding, commercialisation support, intellectual property strategies, assisting the funded projects with market access opportunities, value chain analysis and identifying opportunities within value chains, access to infrastructure and expertise, project progress monitoring, project close-out, deviations, transitioning projects to other organisations/ programmes, reporting, supporting TIA's monitoring and evaluation.
- **Post-Investment Phase:** tracking the progress of projects commercialised, reporting on impact created (jobs, market entry efforts, successes, key financial performance, sustainability and social impact), assisting with business scale-up and support TIA's monitoring and evaluation.
- **Providing value-added services:** promotion of the programme, creating awareness; seeking partnership and addition funding for beneficiaries and the programme.
- Co-funding of the projects (if possible).
- Quarterly and annual reporting to TIA on progress of funded activities.

- Demonstrate a return on investments through targeted KPIs- number of technology products developed, number of products entering the market, number of enterprises created, number of products entering the supply chain of large industries.

4. APPLICATIONS EVALUATION AND DUE DILIGENCE

4.1. Pre-screening process

Screening involves testing applications against certain exclusion criteria and prior to acceptance of an application. Applications that do not meet the screening criteria and basic requirements are eliminated.

All application submitted through the GIP Call for Proposal will be screened in terms of:

- The proposal must be an innovative concept;
- The proposal must address a social challenge or potential technology solution to a specific or identified need;
- Applicant must be South African citizen or has Permanent Residency;
- Applicant must fall within the category of grassroots innovator.

4.2. Assessment

High levels assessment of applications received and accepted, to determine their fit in respect of published assessment criteria. The outcome of this step is either rejection, with reasons, or proceed to full application.

The applications will be assessed for attractiveness and suitability against the following criteria:

Technology	Market Need/ Commercial Potential
<ul style="list-style-type: none"> ✓ Technology-based idea intended for development of a product or service or process ✓ Technology readiness at any stage from concept stage but before pre-revenue. ✓ Innovativeness could be new or improvement of an existing technology with clear differentiating factors ✓ Intellectual Property not a requirement for approval but basic novelty search will be conducted to identify potential IP and ✓ Technical feasible to develop 	<ul style="list-style-type: none"> ✓ Solution addressing a social or potential technology challenge ✓ Clearly defined social or market need ✓ Solution is market viable ✓ Clear value proposition and competitive advantage defined
Team Capability	Impact
<ul style="list-style-type: none"> ✓ Team has skillset to manage the development of the technology ✓ Team demonstrates willingness to learn, develop new skills, partner or work with experts to close any skill gaps 	<ul style="list-style-type: none"> ✓ Potential impact of the solution clearly defined

4.3. Evaluation

The evaluation will be conducted based on the weighting system according to the various assessment criteria. The evaluation process will include due diligence, (paper-based), live pitch presentations and site visits as appropriate, product development and investment risk assessments.

5. ELIGIBILITY CRITERIA

- Potential grassroots innovations will be sought from grassroots innovators who have an idea, concept design or early proof of concept for an innovative product or process that addresses a social challenge.
- A grassroots innovator is an “individuals who undertake innovations to solve local challenges using local resources and capabilities through working outside the realms of formal innovation institutions”.
- Applicant must be South African citizen or has Permanent Residency permit (women, youth and persons with disabilities are encouraged to apply).
- Applicant must not currently receiving funding from TIA.
- Applicant submitting multiple applications will be funded for only one proposal.
- The proposed project must require support for the physical development of new product/process innovation, and/or market testing of an existing product/process innovation through implementation of a proof of concept.
- Applicant must be willing to commit time to the programme activities over a period of 24 months.

6. FUNDABLE AND NON-FUNDABLE PROJECTS

6.1. Fundable Projects

GIP funds innovative concepts that solves local challenges using local resources and capabilities through working outside the realm of formal innovation institutions. The concepts can be a product, service or process for a new or improved technology/product, new application of an existing technology/product, or social innovation. Intellectual Property is not a pre-requisite (however novelty search analysis will be conducted to assess uniqueness of the idea).

The innovative idea should have the following characteristics:

- technical feasible;
- market viable; and
- within the budget scope of GIP.

6.2. Non-fundable Projects

GIP will not fund proposals that are linked to research work at Science Councils or High Education Institutions.

7. FUNDABLE AND NON-FUNDABLE ACTIVITIES

The following is a list of fundable activities that the recipients may benefit from the programme. The fundable activities can be outsourced from TIA's Technology Stations and Platforms or other service providers (SP) where needed.

7.1. Fundable activities

The fundable activities through the technology and business development support includes:

- The development and prototyping of product or process innovations that respond to social challenges;
- Production of fully functional prototypes of the product innovation;
- Operational & capacity building activities for innovators through product development, training and mentoring (acceleration);
- Specialised equipment that is within the budget constraints and required to enable innovation activities;
- Launch of a proof of concept within a registered enterprise, where achievement of product and business development milestones can be demonstrated;
- Registration of new enterprises or compliance of already registered enterprises;
- Registration of intellectual property rights, copyright and trademark protection, and licensing;
- Personal and travelling stipend to the innovator for a maximum period of 12 months.

Other fundable activities through the Stipend funds could include:

- Registration of a legal entity, compliance with SARS and National Treasury
- Opening of a business bank and monthly account maintenance fees
- Marketing Materials

- Initial marketing research and analysis
- Initial business model development
- Transport costs to attend project related activities (compulsory)
- Purchase of consumables related to project activities

7.2. Non-fundable activities

The list of non-fundable activities funds includes:

- Expenses not associated with the project
- Business working capital and operational expenses
- Salary and/or stipend contributions to new additional team members. The stipend provided is per project and is shared amongst all members of the team.
- Acquiring of licenses to replicate external innovations except where there is an opportunity for joint technology development.
- 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
- Infrastructure development

8. EXPECTED OUTPUTS

Implementing Partners will be supporting the GIP projects and innovators envisaging to produce the following expected outputs. These output targets will need to be reported to TIA in quarterly basis.

Key Output Description		
1	# of Grassroots Innovators supported	
2	# of SMMEs receiving SET and enterprise development support	
3	# of beneficiaries accessing support from partnerships established with SETAs, private sector, government or civil society	
4	# of Knowledge Innovation Products developed	Prototype developed
		Technology demonstrators
		Technology diffused
		Technology transfer packages
		Patents (registrable IP)
		Product registrations
		Trademarks
5	Demographics	Product entered the market (launched)
		# of Youth supported
		# of Women supported
6	Amount of Funding leveraged by supported Projects	# of Person with Disabilities supported
7	# of technologies diffused for service delivery	
8	# of jobs created by the SMMEs	

9. INVESTMENT PARAMETERS

The investment parameters for the application are as follows:

- Pure Grant funding with no ROI;
- Up to R260 000 per application;
- Support package offered to innovators in collaboration with partners varies depending on the outcomes of the negotiation with the collaborating partners;
- TIA receives first right of refusal to fund further development of the outputs of the project;
- Furthermore, approval of GIP to any project does not automatically qualify the project for any other TIA funding schemes without full assessment in accordance with the selection criteria for that funding scheme;
- The duration of the project shall be for a maximum period of 24 months, with no exceptions. Any period in excess of this will fall outside the project budget constraints;
- The project must contribute to the development of an innovative product or process output that addresses real social challenges;
- Only applicants above the age of 18 can sign the TIA contract, parent(s) or guardian(s) will be required to sign the TIA contract on behalf of applicants below the age of 18;
- The applicants or projects must not currently be receiving funding from TIA;
- The application must be at idea/concept or design/early proof of concept, that is pre-revenue.