

Mauritius Research Council

National SME Incubator Scheme

Guidelines to Applicants

**May 2018
Version 3.0**

Definitions

The following definitions apply for the purposes of this solicitation. Further details are found in the Guidelines to Applicants annexed.

1.1. National SME Incubator Scheme (NSIS)

A scheme initiated by the Government of the Republic of Mauritius to encourage the creation of Innovative businesses for the socio-economic benefit of the Republic of Mauritius through a nurturing and training process in a conducive environment provided by Incubators.

1.2. NSIS Steering Committee

A committee responsible for the overall management of the NSIS and for taking all decisions pertaining to the scheme. The Steering Committee also accredits Incubators.

1.3. Innovation

“Innovation” means both radical and incremental changes to products, processes or services, including the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.

1.4. Business Incubator

A Business Incubator is a registered legal entity operating in Mauritius and whose purpose is to provide the necessary nurturing environment, training, coaching and support to Incubatees to create a new and innovative business.

1.5. Incubatees

An individual or a group of individuals having a business idea, a pre-start-up or a start-up company: that is driven by a novel concept and is scalable; having good potential for value addition to a product; having potential to create jobs, wealth and knowledge.

1.6. Incubation

Process of nurturing business ideas by Business Incubators. This process is structured into 3 phases outlined below:

1.6.1. Pre – Incubation phase (up to 9 Months)

This phase allows candidates with innovative ideas having a business potential to explore further their concepts within a conducive environment provided by the accredited Incubator. Incubatees have a maximum of 9 months to draft their business plan and/or develop a Minimal Viable Product (MVP)¹. Candidates having

the most potent MVPs/business plans will be encouraged to graduate to the incubation phase.

1.6.2. Incubation Phase (up to 18 months)

This phase encourages early start ups to reinforce their business case while benefiting from the ecosystem provided by the accredited incubator. The incubator will provide the coaching, mentoring and necessary business counselling for the start up to initiate its business activities. This phase may last up to a maximum of 18 months. The start-up may choose to exit the incubator if the project is considered not viable. Should the project be viable, the start-up may wish to discuss further with the Incubator to embark in the acceleration phase.

1.6.3. Acceleration Phase (up to 6 Months)

This phase focuses on activities geared towards expansion of the incubatees’ business. With the help of the Incubator, the start-up will look into commercializing its products and consider tapping into bigger markets. This phase would last for up to a maximum of 6 months. The accelerated start-up may choose to consider further partnership with the incubator or exit the incubator after the accelerator phase.

1.7. Mentor

Mentor(s) are seasoned entrepreneurs/ or having renowned expertise in Business development hired by the Incubator to coach, monitor the progress and guide the Incubatees throughout their business incubation period.

1.8. Project

A business idea which is being developed by the Incubatees and which is being incubated under the Incubator in either Pre-incubation, Incubation or Acceleration Phases

1.9. Operational cost

An expense incurred in carrying out an organization's day-to-day activities, i.e. the cost of resources used by the organization just to maintain its existence. These expenses usually include maintenance, administrative and general expenses.

¹ A Minimal Viable Product is a version of a new product whose purpose is to validate its market viability and customer acceptance with the least effort (<https://leanstack.com/minimum-viable-product/>)

PRIVACY STATEMENT

The information requested on the forms in this document is solicited under the authority of the Ministry of Finance and Economic Development. It will be used in connection with the administration of proposals and may be disclosed to qualified staff of the Mauritius Research Council and members of the NSIS Steering Committee as part of the administrative review process, award decisions, or the administration of awards.

Note: Proposals not meeting the proposal content requirements which are listed and explained in this solicitation will not be considered.

TABLE OF CONTENTS

1. INTRODUCTION	5
1.1 Aim	5
2. SCHEME DESCRIPTION.....	5
2.1 Objective	5
2.2 NSIS Steering Committee	5
2.3 Role of the NSIS Steering Committee	5
2.4 Incubator Accreditation	5
2.5 Accreditation criteria	5
2.6 Recruitment of Incubatees	5
3. FUNDING	6
3.1 Funding for Pre-Incubation phase	6
3.2 Funding for Incubation phase	6
3.3 Funding for Acceleration phase	6
4. CONTRACTUAL AGREEMENTS	6
4.1 MRC- Incubator Agreement	6
4.2 Accredited Incubator - Incubatee Agreement	6
5. HOW TO APPLY TO BECOME AN NSIS INCUBATEE?	6
6. DISBURSEMENT SCHEDULE.....	7
7. MONITORING OF PROGRESS OF INCUBATEES AND SUBSEQUENT DISBURSEMENT OF FUNDS	7
7.1 Budget Reallocation	7
8. ADMINISTRATIVE SCREENING.....	7
9. MONITORING AND EVALUATION OF ACCREDITED INCUBATORS	7
10. EXPRESSION OF INTEREST AND ACCREDITATION PROCESS FOR NEW INCUBATORS.....	7
11. PROPRIETARY INFORMATION, RIGHTS IN DATA AND INVENTIONS.....	7
12. OTHER CONSIDERATIONS.....	8
12.1 Awards	8
12.2 FINAL REPORTS.....	8
12.3 Dispute Settlement	8
12.4 DISQUALIFICATION OF INCUBATEE.....	8
12.5 Disqualification of the Incubator as NSIS accredited incubator	8
12.6 Incubator Accreditation status.....	8
12.7 Additional Critical Information	8
12.8 GENERAL CONDITIONS	8
13. APPLICATION FORMS	9

1. INTRODUCTION

The NSIS encourages the creation of Innovative businesses for the socio-economic benefit of the Republic of Mauritius through a nurturing and training process in a conducive environment provided by accredited private sector led Incubators. The ultimate objective is to encourage collaboration between relevant stakeholders to create a sustainable entrepreneurial ecosystem in Mauritius geared towards fostering creation of Innovative Businesses, creation of new knowledge, value and wealth.

Under this Solicitation, the Mauritius Research Council (MRC), in collaboration with the Ministry of Finance and Economic Development (MoFED), and NSIS accredited private sector Incubators have set up a structure to facilitate the incubation of businesses at the pre-incubation, incubation and acceleration phases.

This 'Guidelines to Applicants' provides relevant details on the NSIS, as well as the process for the operation, management and monitoring of the scheme. It applies to both Incubators and Potential Incubatees.

1.1 Aim

The aim of the NSIS is to assist innovative entrepreneurs to create, develop and accelerate their businesses in a sustainable entrepreneurial ecosystem established through a public/private sector collaborative approach.

2. SCHEME DESCRIPTION

2.1 Objective

The objective of the NSIS is to collaborate with accredited private sector Business Incubators with a view to enhancing the development of innovative entrepreneurship, thus boosting innovation and creation of jobs and wealth in the SME sector.

2.2 NSIS Steering Committee

The National SME Incubator Scheme shall be managed by a Steering Committee chaired by a Deputy Financial Secretary of the Ministry of Finance and Economic Development (MoFED) and comprising of the following members:

- Representative of PMO
- Representative of MOFED
- Representative of the Ministry of ICT
- Representative of Ministry of Business, Enterprises and Cooperatives
- Representative of Business Mauritius
- Representative of Board of Investment
- Representative of Mauritius Research Council

The Committee may co-opt members in relevant areas of expertise.

2.3 Role of the NSIS Steering Committee

Under this scheme, the NSIS Steering Committee will:

- Accredite qualified Incubators (based on criteria listed in section 2.5) for a period of 3 years;
- Approve and disburse funds through the MRC to the Accredited Incubators as per agreed milestones of each phase of Incubation. *The funding provided shall cater only for operational costs of the Incubators.*
- Assess performance of the Incubators as per agreed milestones. This assessment will be carried out by the Steering Committee. *Disbursement will be conditional to satisfactory progress as evaluated by the Steering Committee*

2.4 Incubator Accreditation

In order to be eligible to apply for funding under the NSIS, Business Incubators **must** be accredited by the NSIS Steering Committee.

The Accredited Business Incubator must have a certificate of registration with the Registrar of Companies. The Accredited Business Incubator must support Incubatees in at least the Pre-Incubation and Incubation Phases.

2.5 Accreditation criteria

In order to be eligible for accreditation, the Incubator must:

- Be a Registered legal entity in Mauritius;
- Be able to support all three phases of incubation (see section 3 below);
- Provide a range of services to the Incubatees, which may include the following:
 - *Administrative services (e.g. photocopying, bookkeeping, telephone and high-speed internet);*
 - *Physical Space (e.g. Co-working space, private workspace, meeting rooms) accessible 24/7;*
 - *Business advice services (Coaching, Counselling, Mentoring, Training, Marketing, Human Resource, Cash Flow management)*
 - *Networking opportunities (between other incubatees, links to wider business community)*
 - *Access to technical advice*
 - *Advice and facilitation with respect to fund raising, financing of business activities.*
- Be compliant to applicable occupational Health and Safety regulations.
- Agree to operate on a Not-For-Profit basis.

The Incubator *may* also choose to set up a full training program for the Incubatee involving resource persons in fields relevant to the Project being incubated including Finance, Accounting, Business planning, Marketing, etc.

2.6 Recruitment of Incubatees

Each accredited Incubator is responsible for recruiting its own incubatees.

The MRC may also launch, upon recommendation from the Steering Committee, National Call for Incubatees.

3. FUNDING

The NSIS shall fund, part of the operational costs incurred by the Accredited Incubator for each project it is incubating.

The part funding of the NSIS **shall not exceed** the specified ceiling for each of the stages as detailed in sections 3.1 – 3.3 below.

The Incubator must at least match the grant provided by the NSIS.

Any surplus shall be ploughed back into the different Incubation Phases, which it shall support.

3.1 Funding for Pre-Incubation phase

The Incubatees may have up to a maximum of 9 months to draft their business plan and/or develop a Minimal Viable Product (MVP)². Candidates with the most potent MVPs/business plan may be given the opportunity to continue in the Incubation phase.

The NSIS shall fund 50% of the total operational cost incurred by the Incubator for **each** Project under the Pre-incubation phase **up to a maximum amount not exceeding Rs 50,000**, whichever is less. The **maximum duration** of funding for this phase is **9 months**.

The Accredited Incubator shall preferably host Incubatees at Pre-Incubation phase at all times.

3.2 Funding for Incubation phase

The NSIS shall fund 50% of the total operational cost incurred by the Incubator for **each** approved Project under the Incubation Phase **up to a maximum amount not exceeding Rs 400,000**, whichever is less. The maximum duration of funding for this phase is 18 months.

The Accredited Incubator shall at all times host Incubatees in the Incubation Phase.

3.3 Funding for Acceleration phase

The NSIS shall fund 50% of the total operational cost incurred by the Incubator for each approved Project under the Acceleration Phase **up to a maximum amount of Rs 300,000**, whichever is less.

The maximum duration of funding for this phase is 6 months. The Incubatee may choose to consider further partnership with the Incubator or exit the Incubator after the acceleration phase.

4. CONTRACTUAL AGREEMENTS

To enroll and benefit from the NSIS a contractual agreement **must** be signed between:

- i) The MRC and the Accredited Incubator;
- ii) The Incubator and the Incubatee;

4.1 MRC- Incubator Agreement

The MRC and the Accredited Incubator shall sign an Agreement defining the modalities of their collaboration to achieve the aims and objectives of the NSIS.

4.2 Accredited Incubator - Incubatee Agreement

The Accredited Incubator and the Incubatee **must** officialise their collaboration in an Agreement. There is no imposed template for the agreement between Incubator and Incubatee. The Agreement shall spell out the modalities for the smooth running of the Incubation phase under which the Incubatee has enrolled.

In particular, the Agreement **must** include clauses explaining the following aspects:

- o *Services and support to be provided by the Incubator;*
- o *Safeguards of the Project of the Incubatee;*
- o *Sharing of any Intellectual Property Rights developed during incubation;*
- o *Terms and conditions for exit by Incubatee*
- o *Any repayment in case of exit*

5. HOW TO APPLY TO BECOME AN NSIS INCUBATEE?

- The onus is on the Incubator and Incubatee to agree on the terms and conditions for the incubation process.
- The Incubator shall agree with each Incubatee on the:
 - *nature of the project to be incubated;*
 - *the phase in which the Incubatee wants to integrate the NSIS;*
 - *the costs involved in the implementation of the proposed project; and*
 - *the deliverables and time line for implementing the proposed project.*
- The Incubator in collaboration with the Incubatee shall fill in the *Form 5020 (Project Description for Potential Incubatees)* and submit to the MRC together with a copy of the Incubator-Incubatee Agreement.
- Form 5020 is available on the MRC website
- The MRC shall carry out a due diligence check and an administrative screening for the projects submitted by the Incubator and incubatee;

² A Minimal Viable Product is a version of a new product whose purpose is to validate its market viability and customer acceptance with the least effort (<https://leanstack.com/minimum-viable-product/>)

- *Submission of a duly filled and signed Form 5020 together with a copy of the Incubator-Incubatee Agreement shall constitute the qualifying documents;*
- The MRC shall then prepare a schedule of Disbursement (Form 5030- see below) in which the modalities according to which the MRC will disburse of the funds shall be described.
- The Incubator and Incubatee *must* also submit the Task scheduling and cost breakdown form (Form 5040);
- These completed Forms 5020, 5030 and 5040 shall be used to (i) monitor the progress of each Incubated Project and (ii) release funds as per agreed terms.
- All forms are available on the MRC website

6. DISBURSEMENT SCHEDULE

- The funds will be disbursed as follows:
 - 1st down payment constituting of 40% of the agreed amount upon signature of Form 5030;
 - Form 5030 is available on the MRC website;
 - 2nd down payment constituting of 40% of the Agreed Amount upon submission of first progress report: 40% of maximum eligible amount;
 - Final payment constituting of the remaining 20% upon completion of project.

7. MONITORING OF PROGRESS OF INCUBATEES AND SUBSEQUENT DISBURSEMENT OF FUNDS

- The responsibility for monitoring the Incubatee lies with the Accredited Incubator with which the Incubatee is enrolled;
- At agreed intervals of time the Incubator shall present the progress of each Incubatee using the Form 5050;
- The form 5050 is available on the MRC website
- The progress report shall cover the activities undertaken during the milestone period and the findings of the research and innovation
- For each incubated project, further disbursements will be made to the Incubator on a milestone basis, upon receipt of a satisfactory progress report for each of the specified milestones
- The Incubator and Incubatee shall also provide evidence showing how the funds have been utilised. A statement of actual expenses and a request of funds for the next milestone period, if any.

7.1 Budget Reallocation

Any redefinition and reallocation in the agreed tasks and associated budget described in the Form 5040 (Task scheduling and cost breakdown) can only be carried out in consultation with the MRC which, if satisfied, will authorise the necessary amendments.

8. ADMINISTRATIVE SCREENING

MRC will review each proposal to determine if it satisfies all the requirements described in this guideline. If the information provided is insufficient, a request for further

information will be sent to the Project Leader and the Incubator or a meeting may be convened to discuss the proposal. Non-responsive proposals will not be considered.

When all information is available, MRC will recommend the projects to the Steering Committee for approval.

In all instances, proposals will be handled on a confidential basis and care taken to avoid conflicts of interest.

The NSIS Steering Committee shall be responsible for the final approval of projects incubated under the NSIS.

9. MONITORING AND EVALUATION OF ACCREDITED INCUBATORS

Each accredited incubator funded under the NSIS shall report on a yearly basis the success and impact of its activities based on Key Performance Indicators.

- Any major issues shall be addressed by the NSIS Steering Committee.

10. EXPRESSION OF INTEREST AND ACCREDITATION PROCESS FOR NEW INCUBATORS

- Call for interest for Incubators willing to participate in the NSIS will be on advertisement basis only and will be as and when requested by the Steering Committee.
- Only Incubators Accredited by the NSIS steering Committee are eligible to apply for grants under the NSIS.
- The MRC will consider applications regarding Expression of interest from potential Incubators ONLY as and when advertised.
- Should there be a call for proposals, incubators willing to apply under the NSIS, must submit to the MRC a completed Expression of Interest Form.
- Upon receipt of Expression of Interest Form, the MRC shall inform the NSIS steering Committee which shall designate a Technical Sub Committee to carry out a site visit and make recommendations for accreditation of the applicants
- The NSIS Steering Committee shall accredit the Incubators based on the recommendations of the Technical Sub Committee
- Applicants will be informed of the outcome of the evaluation within a period of 4 weeks following submission of their application.

11. PROPRIETARY INFORMATION, RIGHTS IN DATA AND INVENTIONS

- Information contained in all documents submitted to MRC shall remain the property of the applicant, but MRC will retain file copies of all applications.
- Applicants should limit proprietary information to that deemed essential for proper assessment of the project. Proprietary information may be included in the body of the proposal or set apart from other text. Any proprietary information

included in the proposal must be clearly marked by a sentence or paragraph, as **proprietary**. Care should be taken to confine it to those critical items that, if disclosed, could jeopardise the obtaining of patents or could reveal trade secrets or commercial or other financial information that could adversely affect the competitive position of the applicants.

- Proprietary information submitted to MRC shall be treated in confidence, to the extent permitted by law, if it is clearly identified.
- Without assuming any liability for inadvertent disclosure, MRC will limit dissemination of properly marked information to its employees (handling the administration of the projects incubated under the NSIS) on a confidential basis.

In case the applicant has any collaborating partner(s), the MRC advises the applicant to consider sharing of Intellectual Property Rights with its partner through research/consortium agreements that most closely meet their requirements

12. OTHER CONSIDERATIONS

12.1 Awards

Prior to any award, the MRC may require certain organisational, management and financial information for administrative purposes to ensure that the applicant adheres to certain business and financial standards. When requested by the MRC, this information should be returned to the requesting office as expeditiously as possible. All information received will be dealt with strictest confidentiality.

12.2 FINAL REPORTS

One copy of a comprehensive Final Report must be submitted to MRC within 30 days after the end of the funding period.

The Final Report delivered under the grant may be made available to the public by the MRC, except for that portion of the report containing technical data properly identified and marked as set forth in section 11 above.

To the extent permitted by the Act of the Council, MRC will not release properly identified and marked data and information outside the Government of Mauritius without the approval of the grantees for a period of four years from the expiration of the grant award.

An acknowledgement of the support and disclaimer must also appear in publications of any materials, whether copyrighted or not, based on or developed under the MRC-supported projects.

12.3 Dispute Settlement

Any dispute or difference arising out of the interpretation or implementation of the Project shall be settled amicably or through recourse to arbitration.

12.4 DISQUALIFICATION OF INCUBATEE

- The Incubator may disqualify an Incubatee during the course of Incubation if the Incubator considers the progress of the latter unsatisfactory. (These details have to be included in the Incubator-Incubatee Agreement). In this case, the Incubator must inform the MRC and the MRC shall stop all payments for the terminated project and request a refund of unspent funds from the Incubator. Prior to this step, the MRC will encourage the Incubator to consider resolving conflicts amicably before terminating the Incubation of the Incubatee.
- Any particular Incubatee shall be incubated under **only one** specific Incubator. Incubatees found to be in breach of this clause shall be disqualified for the NSIS.

12.5 Disqualification of the Incubator as NSIS accredited incubator

In the event the deliverables of an Accredited Incubator are deemed to be unsatisfactory by the NSIS Steering Committee, the latter may consider not to renew the accreditation status of the said Incubator.

12.6 Incubator Accreditation status

The Accreditation of the Incubator shall lapse 3 years as of the date of signature of the Agreement between the Incubator and MRC.

12.7 Additional Critical Information

Accuracy of Information - The proposing organisation is responsible for the accuracy and validity of all the administrative, fiscal, and technical information in the application.

Deliberate withholding, falsification, or misrepresentation of information could result in administrative action such as declination, suspension and/or termination of funding.

Audits - Projects are subject to regular technical and financial audits by MRC or independent assessors to be appointed by the NSIS Steering Committee. Unsatisfactory reports may lead to termination of funding and reimbursement of funds.

Changes in Organisation - Any changes to the agreed terms and conditions must be requested in writing at least 30 days prior to the change (except in exceptional circumstances) and must be approved by the NSIS Steering Committee.

This Grant solicitation is intended for informational purposes and reflects current planning. If there is any inconsistency between the information contained herein and the terms of any resulting MRC grant, the terms of the grant are controlling.

12.8 GENERAL CONDITIONS

- The Scheme is opened to all sectors of business activities. The guiding principles will be the incubation of innovative ideas/concepts/ processes/products

which have strong commercial potential and can ultimately lead to jobs and wealth creation;

- Admission to the Pre-Incubation, Incubation and Acceleration Phases will be ongoing and will be based on project eligibility and program capacity;
- Call for expression of interest for accredited incubators shall be advertised as and when required necessary by the NSIS Steering Committee.
- The project must be developed within the framework of a company incorporated in Mauritius;

13. APPLICATION FORMS

1. Expression of Interest Form for Incubators
<https://tinyurl.com/y6v8tc67>
2. NSIS Application Form 5020
[NSIS Application form](#)
3. Form 5030: Schedule for Disbursement of Funds
<https://tinyurl.com/yd6djp9e>
4. Form 5040: Task Scheduling and Cost Breakdown
<https://tinyurl.com/ybntb34z>
5. Form 5050: Incubatee Progress Report
<https://tinyurl.com/yahrs6ml>

CORRESPONDENCES SHOULD BE ADDRESSED TO:

The Executive Director
Mauritius Research Council
Level 6, Ebene Heights,
34 Cybercity, Ebene 72201
Mauritius

Tel: (230) 465 1235

Fax: (230) 465 1239

E-mail: nsismrc@gmail.com or nsis@mrc.intnet.mu

The NSIS steering Committee reserves the right to revise and amend the terms and conditions laid down in this solicitation as and whenever necessary.