

MBEYA UNIVERSITY OF SCIENCE AND TECHNOLOGY



GUIDELINE FOR INCUBATION OF INNOVATION, ENTREPRENEURSHIP AND TECHNOLOGY

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FOREWORD

It is imperative that Mbeya University of Science and Technology (MUST) commercialize her research and innovation outputs as a means of generating income while contributing to addressing societal problems. This task has to be accomplished in collaboration with the government and private sector. However, if not carefully planned, the overall MUST contribution to national success is highly threatened. Planning involves a sustainable pinning of the innovation and technology transfer performance to all MUST strategic goals so as to excellently serve the community around MUST and the nation at large. Fundamentally, this is the objective of the Innovation and Technology Transfer Policy. The Policy acts as a firm foundation for the proper guidance, steps, activities, definitions, measurement, tools, and conditions for the University to generate ideas, incubate and transfer the right technological innovations and traditional knowledge practices from academia, institutions, and individuals in Tanzania.

Moreover, without guidelines, monitoring and evaluation, innovation and technology transfer activities will end up being inefficiently utilized. Innovation, entrepreneurship and technology activities are multidimensional in nature. The processes are packages of fragmented activities requiring a huge outlay of funds and efforts. They incorporate individuals and entities of different natures with different interests. The idea of collaboration is unavoidable and entails a paradigm shift in this ever-changing ITT business. Without competitive incubation tools, ideas and technologies developed may end up failing in the market arena. It is in the view of MUST that all incubation activities, from admission to exit points, are going to be well guided, conditioned, and supported by the Guidelines for Incubation, Entrepreneurship and Technology.

Prof. Aloys N. Mvuma

Vice Chancellor

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LIST OF ABBREVIATIONS

ARC	Academic Research and Consultancy
BM	Bureaucratic Model
CACT	College of Architecture and Construction Technology
CET	College of Engineering and Technology
CITT	Centre for Innovation and Technology Transfer
CMM	Corporate Management Model
CoAST	College of Agricultural Sciences and Technology
CoHST	College of Health Sciences and Technology
CoICT	College of Information and Communication Technology
CoHBS	College of Humanities and Business Studies
CoSTE	College of Science and Technical Education
CVCE	Centre for Virtual and Continuing Education
DAHRM	Directorate of Administration and Human Resources Management
DETS	Directorate of Estates and Technical Services
DF	Directorate of Finance
DLS	Directorate of Library Services
DNC	Directorate of Networking and Computing
DPD	Directorate of Planning and Development
DPSEL	Directorate for Public Services and External Links
DPSRP	Directorate of Postgraduate Studies, Research and Publications
DQA	Directorate of Quality Assurance
DSA	Directorate of Students Affairs
DUS	Directorate of Undergraduate Studies
DVC	Deputy Vice-Chancellor
GPSA	Government Procurement Services Agency
HC	Health Centre
IAU	Internal Audit Unit

IECU	Information, Education, and Communication Unit
LU	Legal Unit
MIST	Mbeya Institute of Science and Technology
MRCC	MUST Rukwa Campus College
MUST	Mbeya University of Science and Technology
PE	Personal Emolument
PFA	Planning, Finance, and Administration
PMU	Procurement Management Unit
PPRA	Public Procurement Regulatory Authority
VC	Vice Chancellor
MTIP	MUST Technology & Innovation Policy
MIIP	MUST Innovation and Incubation Policy

DEFINITION OF KEY TERMS

MUST CITT considers the following terms of innovation and technology transfer as:

Commercialization The process of taking a product, service, or innovation from the research and development stage and introducing it into the market for sale or adoption.

Copyright A legal concept that grants the creator of an original work exclusive rights to its use and distribution, usually for a limited time, with the intention of enabling the creator to receive compensation for their intellectual effort.

Entrepreneurship A process of identifying, creating and pursuing opportunities to develop new products, services, or businesses. Entrepreneurs are individuals who take on the risks associated with starting and managing a new venture, often to achieve financial success and positively impact society.

Ethics A set of moral principles, values, and standards that guide individual behavior and decision-making in a given context. It involves distinguishing right from wrong and determining what is considered morally acceptable or unacceptable within a particular society, profession, or organization.

Grassroots Innovation An innovative activity initiated and driven by individuals or communities at the local level, often in response to specific needs or challenges within their environment.

Idea A new or improved suggestion or solution to an existing

problem or perceived opportunity.

Idea Generation

A process where individuals or groups of innovators and other stakeholders create new ideas.

Ideation

The formation of new notions and concepts.

Incubation

Nurturing prospective entrepreneurs/innovators to think, develop, and transform their creative ideas into viable and sustainable products, services, activities, and businesses.

Innovation

A process of translating an idea or invention into a good or service that creates value for which customers will pay. It may be in the form of new or improved products/services. In this Policy, the word is sometimes used to represent invention and traditional knowledge practice, particularly when written innovator(s)

**Innovation
Ecosystem**

The interconnected network of individuals, organizations, institutions, resources, and policies collectively contribute to fostering innovation and entrepreneurship within a particular geographical region or industry.

**Intellectual
Property**

A creation of the mind, such as inventions, literary and artistic works, designs, symbols, names, and images protected by law.

Invention

A product or a process that provides a new way of doing something or offers a new solution to a technical problem.

Patent

An exclusive right granted for an invention in a given territory for a limited period, generally 20 years; after

this period, an invention enters the public domain.

Spinout

A startup company formed on the MUST intellectual property (IP) rights, in which the University holds an equity stake.

**Technology
Innovation**

A process of generating new ideas based on technology, capability, or knowledge to produce a new tech solution into a viable entity.

**Technology
Transfer (TT)**

The process of sharing and commercializing valuable technologies with the Community.

**Traditional
Knowledge**

The collective knowledge, innovations, and practices developed over time by a specific community or culture, often passed down orally from generation to generation.

CHAPTER ONE

GUIDELINE BACKGROUND

1.1 Introduction

The history of Mbeya University of Science and Technology (MUST) dates back to 1986, when Mbeya Technical College (MTC) was established by the Government of Tanzania for the purpose of training full-time technicians at certificate level (FTC) under the Russia-Tanzania Training Support. The college existed up to mid-2005, offering programmes in the fields of Architecture, Electrical Engineering, Civil engineering, and Mechanical Engineering. In July 2005, MTC was transformed into a multi-disciplinary Mbeya Institute of Science and Technology (MIST) through the National Council for Technical Education (Mbeya Institute of Science and Technology) Establishment Order, 2004.

The transformation was a government move towards strengthening the college to become a fully-fledged university. Mbeya Institute of Science and Technology registered a number of achievements, including the restructuring of FTC programmes to ordinary diploma programmes and the introduction of undergraduate degree programmes which eventually led to an expansion of students' enrolment. Following these achievements, on March 29, 2012, after being issued a provisional license by the Tanzania Commission for Universities (TCU), the institute was transformed into a fully-fledged university, namely Mbeya University of Science and Technology (MUST). The university was granted the Mbeya University of Science and Technology Charter, 2013 on August 20, 2013.

MUST is endeavouring to lead in science and technology, become a centre of excellence for academics, research, and consultancy, and put itself in a position where research results are meant to improve livelihoods in society. In order to develop professional skills in science, engineering, social sciences,

and other related fields, MUST has to conduct research that reflects the national research agenda.

1.2 Vision

The vision of Mbeya University of Science and Technology is to become the leading centre of excellence for knowledge, skills and applied education in Science and Technology.

1.3 Mission

The mission of Mbeya University of Science and Technology is to develop academically, technologically and socially competent students, staff and other stakeholders who will be responsive to the broader needs and challenges of the society specifically by:

- (i) Facilitating appropriate tuition, practical training and support according to the needs of students and other customers;
- (ii) Encouraging staff commitment to quality education and services including research, consultancy and innovation;
- (iii) Fostering lifelong learning, honesty and responsibility;
- (iv) Promoting an environment conducive to human development; and
- (v) Promoting effective entrepreneurship and usage of appropriate technology that meet national and international needs and standards through skills and practical oriented training, research and consultancy.

1.4 Core Values

The following values characterize the work and life of the University:

- (i) Leadership in innovation and technology;
- (ii) Culture of excellence;
- (iii) Diversity and equal opportunities for all;
- (iv) Partnerships; and

- (v) Integrity and stewardship of resources.

1.5 Goal of the Guideline

The overarching goal of the Guidelines for Incubation of Innovation, Entrepreneurship and Technology is to establish a structured and supportive framework within the university ecosystem that fosters a culture of innovation, accelerates the development of entrepreneurial ventures, and facilitates the successful incubation and transfer of novel ideas and technologies.

1.6 Objectives of the Guidelines

- (i) Direct the training programmes and workshops to enhance the skills and empowerment efforts in areas of innovation, entrepreneurship, and rural technology at MUST;
- (ii) Establish criteria and metric for measuring performance of the CITT in innovation, entrepreneurship and technology efforts;
- (iii) Propose infrastructure and essential services for incubating innovations, entrepreneurship and technology at MUST;
- (iv) Establish mechanisms for efficient allocation of resources dedicated to the incubation at MUST;
- (v) Guide on ethics in undertaking innovation, entrepreneurship and technology at MUST;
- (vi) Establish criteria for the sustainable and effectiveness in programmes relating to innovation, entrepreneurship and rural technology incubation at MUST;
- (vii) Establish criteria for the sustainable and effectiveness monitoring and evaluating innovation, entrepreneurship and rural technology incubation at MUST; and
- (viii) Provide guidance and link on accessing funding sources necessary to support financially innovation, entrepreneurship and technology incubation at MUST.

1.7 Justification

The Centre for Innovation and Technology Transfer has the role of bringing and managing innovative, technological, and entrepreneurial development to foster creativity in Tanzania. It comprises three (3) departments, namely the Department of Innovation and Incubation, the Department of Entrepreneurship and Business Management, and the Department of Rural Technology Park (RTP).

Despite the enormous activities that CITT must perform to facilitate the MUST mission, it is necessary for the incubation and technology transfer of innovations and technologies for the benefit of MUST and society at large. In essence, branding MUST require nothing short of establishing the centre for innovation and technology transfer.

The need for procedures and guidelines cannot be overemphasized. The incubation, innovation, and entrepreneurship activities are context-dependent. Unless the MUST ITT Policy is efficiently operationalized, the overall competence in business excellence cannot be achieved. The MUST ITT procedures and guidelines were needed not only to contextually operationalize incubation, innovation, entrepreneurship, and overall competences in business excellence but also to facilitate the MUST ITT activities and innovation and the needs of the community.

1.8 Scope of Guidelines

This Guidelines considers MUST and non-MUST communities to be important components of the MUST innovation and technology transfer ecosystem. It will thus address technology transfer and commercialization procedures at MUST.

CHAPTER TWO

OPERATIONAL PROCEDURES AND GUIDELINES BACKGROUND

2.1 Introduction

The MUST ITT aims to uplift innovations and technologies into sustainable and productive businesses within and outside of MUST society. So, these incubation procedures intend to provide guidance and a management structure for creating a manageable and productive innovation ecosystem. Procedures and guidelines may be updated periodically according to the needs. MUST seeks to support all MUST society and Tanzanians to ensure that their real-world ideas attain socially productive business products, processes, and commercially viable services.

To ensure consistency of guidelines, procedures, steps, and standards in achieving desired ITT excellence, the necessary contents to form the tools are stipulated well in advance in the next section below, and the expected key activities are found in Table 1.

2.2 Guiding Contents of the Guideline

Guideline tools for incubates in universities, like MUST, need to be comprehensive and user-friendly enough to provide clear guidance and instructions to support commercializeable ideas, research, technologies, and projects. On top, MUST has a special item for rural technologies. Valuable support and resources for starting and growing their businesses successfully are the ultimate goal of MUST. Irrespective of the unit under CITT, the common contents expected in the guidelines include the following items:

- (i) Eligibility criteria;
- (ii) Disclosure agreements;
- (iii) Application and presentation;
- (iv) Evaluation and admission;

- (v) Resource assessment and allocation;
- (vi) Services, infrastructures and facilities;
- (vii) Mandatory training, mentorship and participation;
- (viii) Contractual matters and duration;
- (ix) Duration and appraisal stages intervals;
- (x) Interest and conflicts settlement;
- (xi) Intellectual property ownership and declaration;
- (xii) Supporting fund rights and guidelines;
- (xiii) Funding costs and rewards matters;
- (xiv) Performance reviews; and
- (xv) Any Other innovation tool approved by MUST.

2.3 Incubation Activities

Table 1: Incubation Key Steps and Activities

1	NON-DISCLOSURE AGREEMENT	The need to understand the idea to be registered (See the Forms: Form-01 Application Form in the Annexes)
2	Idea Registration	Identification of the potential innovations, entrepreneurship and rural technologies ideas or development level (See the Forms: Form-02 Application Form in the Annexes)
3	Initial Screening	Qualitative assessment of the market viability, potential impact, and alignment with the goals of CITT. (See the Forms: Form-02 Application Form in the Annexes)
4	Initial Evaluation	Qualitative assessment of technical, financial and alignment with the resources of CITT. (See the Forms: Form-02 Application Form in the Annexes)
5	Incubation Proposal Submission	Concept note development and submission of detailed proposal and presentation. (See the Forms: Form-03 Business Plan in the Annexes)

6	Detailed Evaluation		In-depth assessment of detailed analysis, market research, and technical to determine whether the concept is viable for further development. (See the Forms: Form-03 Application Form in the Annexes)
7	Selection Decision		Selection Decisions depends on focus areas, goals, and available resources. The applicant will be notified through the letter only if the application is successful within a stipulated time.
8	Orientation		Brief overview on resources available, networking, programmes expected and key staff and personnels.
8	Customized Incubation Programme		Depending on the needs and disposable resources, the customized incubation programme and Exit Strategy Plans are developed and approved by CITT. (Depending on the Duration - See Form 04- Incubation Life Cycle Score and Form 6-Exit Strategy Plan in Annexes)
9	Prototype Development		Planning, monitoring, evaluation, testing and iterating on the initial concept to ensure its practicality and effectiveness. (See the Forms: Form-05 Stages of Prototype Development in the Annexes)
10	Minimum Viable	Market Validation	Prototypes refinement according to real-world understandings.
11	Products Development	Business Development	Mentoring on the on business development, business models, marketing strategies, and financial plans. (See the Forms: Form-05 Stages of Prototype Development in the Annexes)
12		Investment and Funding	Assisting connecting with investors, grants, or funding programmes.
13	Exit Strategy	Exit stage	The incubates leaving the benefits of CITT at MUST facilities. (See the Forms: Form-06 Incubation Exit Stages in the Annexes)

		Scaling Up	Imparting skills on production, expanding market reach, or enhancing the technology.
		Post-Incubation Support, Monitoring and Evaluation	MUST approved and established support systems of each project to continuous inform MUST on the Performance efforts and helps refine the incubation process and increase collaboration opportunities.
14	Graduation		Graduation marks the exit of successful projects from the incubator. Graduates are equipped to operate independently, having developed viable products or services.

2.4 Eligibility

Admission is open but not limited to members associated in the following groups:

- (i) MUST society;
- (ii) Tanzania schools and universities;
- (iii) Local innovators; and
- (iv) Private and public innovation and entrepreneurship entities.

The process of admission into MUST ITT is subject to a number of fulfillments, which include but not limited to assessment of the following.

- (i) Type, category of development level of;
 - (a) Project,
 - (b) Invention,
 - (c) Innovation, and
 - (d) Traditional knowledge.
- (ii) Category of stakeholder;
- (iii) Gender values;
- (iv) Value of the creativity;
- (v) Stage of development; and
- (vi) Legal and Contractual values.

The applicant at MUST has to fulfill the following:

- (i) Capable of acquiring legal status of company in accordance with Tanzanian Company Act;
- (ii) Free from any misconduct accountabilities; and
- (iii) Meet the admission requirements as per respective Application Form **(Annex 2: Application Form)**.

2.5 Application Procedures

All the applicants shall have to read and agree on the terms and conditions of the MUST. Among other things, the applicant shall:

2.5.1 Idea evaluations

The admissions process for the prospective applicant involves the need for MUST to present the request for approval for the prospective incubatee. As such, an applicant shall submit a proposal of the idea for evaluation. Some representative criteria to be applied for evaluation are included in relevant forms.

2.5.2 Presentation

If the initial evaluation is positive, MUST will arrange a presentation with incubates. The applicant will be expected to present critical aspects of the business plan to an evaluation committee. After the presentation, a final decision will be made regarding the applicant's entry into the incubator. The applicant will be informed of the final decision and execution of the minutes of the said meeting. The composition, modality, and timeframe for the results of the presentation and evaluation will be decided by the MUST based on the expertise needed and the stipulated relevant forms.

2.5.3 Novelty, Integrity and Ethics due diligence

Throughout the application process, on an as-needed basis, MUST will perform research and due diligence on the applicant from all angles. MUST may require further information from the applicant and may ask the applicant to revise the executive summary and/or presentation. CITT may, at its discretion, seek the advice of various national and international bodies.

2.5.4 Non-Disclosure

MUST adheres to strict confidentiality throughout the application process. The non-disclosure contract arrangement is to be under the MUST discretion.

2.5.5 Selection Process

MUST will propose and approve a panel of experts who will review the process of application and evaluation and may further call the applicant for an interview with or without an evaluation committee member. The applicant will pitch the idea before the expert panel members. The expert panel will carefully evaluate the idea based on the previously proposed and MUST-approved criteria. Criteria may include social impact, market availability, potential value of the technology, growth prospects, innovative content, and the applicant's team strength. The experts will recommend a commendable applicant for incubation. The expert panel will consist of experienced and qualified professionals from the approved entity, like leading bankers, seasoned venture capitalists, academicians, or successful alumni entrepreneurs.

2.6 Evaluation and Admission

The applicant at MUST has to undergo periodic performance evaluation and approval on:

- (i) Value as per relevant forms;
- (ii) MUST Priority conformance;
- (iii) Resource utilization efficiency; and
- (iv) Patentability.

2.7 Infrastructure and Services Provided to Incubatees

2.7.1 Office spaces

Upon admission to MUST ITT, the available facilities will be offered to the incubatee in accordance to the urgencies and agreement reached between applicant and MUST CITT. Some of them are:

- (i) Office space;
- (ii) Computers – up to two on rental basis. More than two can be availed at market rates;
- (iii) Printer;

- (iv) Internet connection;
- (v) Standard furniture as decided by CITT; and
- (vi) If needed, one Accommodation to the incubatee depending upon the availability (one room in any of the hostels in the university).

Common infrastructure: MUST provide a common pool of hard and soft infrastructure to be shared by all incubatee. The following resources are to be provided:

- (i) Photocopying machine;
- (ii) Projector;
- (iii) Document scanner;
- (iv) Library access facilities;
- (v) Meeting/conference room with projection equipment; and
- (vi) Tele or video conferencing facilities.

2.7.2 Services

Incubatees will be availed with services related to counselling, mentorship, technical and business advices by experts at the centre and outside the centre. Services such as:

- (i) Mentoring;
- (ii) Technical support (design, simulations, development and testing);
- (iii) Financial support (seed support, innovation, refinement & commercialization grant);
- (iv) Legal advices are given with the help of intellectual property;
- (v) Fabrication assistance;
- (vi) Market information (product development strategies, business intelligence and business architecture); and
- (vii) Networking with research laboratories.

2.7.3 Test and Demonstration facilities

MUST may facilitate access to MUST or MUST partners' infrastructure or laboratories as per the norms of the MUST. Services offered may be associated with professionals with accounting, IP, legal, and management expertise on a part-time basis. Incubate can avail of their services. Any direct services provided to an incubatee would have to be paid for by the incubatee to the service provider. Also, to provide support in management, incubates will be assigned to a degree, master, or PhD student, if desired.

2.7.4 Mentoring And Advisory Services

The MUST CITT will arrange and coordinate meetings of the incubatee and specialized mentors for consultancy, strategy reviews, and discussion of operational issues. An incubatee has to take a college or department advisor as a mentor on technology issues.

2.8 Mandatory Mentorship

One of the objectives of incubation is to utilize the technical expertise and resources of the university; thus, every incubatee that is offered incubation at the centre has to collaborate with one of the colleges or departments at the university, who shall act as a mentor to the incubate and guide the incubate on product development.

The incubate may be assigned to the mentors related whenever the need arises.

Mentorship areas may include:

- (i) Industrial;
- (ii) Academic; and
- (iii) Social.

2.9 Tenure Of Incubation

2.9.1 Period of IncubationExit

Depending on the category, an incubatee will be permitted to stay in the incubator for a maximum of maximum three years. A maximum of two extensions may be granted for six months each at a time, at the sole discretion of the university. Non-Final year Students will be given a maximum of one-year permission for their promotion.

2.9.2 Final-year students can apply for a six-month duration exit

An Incubate will leave the incubator under the following circumstances:

- (i) Completion of three years' stay (depending upon the student's course year when applied) (if no extension is granted);
- (ii) Underperformance or non-viability of the business proposition as decided by MUST on a case-by-case basis;
- (iii) Irresolvable Incubate' disputes as decided by MUST on a case-by-case basis;
- (iv) Violation of any MUST regulations;
- (v) When the Incubate enters into an acquisition, merger, amalgamation, or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products, or business plan, Change in the incubate team without the concurrence of MUST;
- (vi) Any change in percentage of equity ownership deemed significant and would require the prior approval of MUST; and
- (vii) Any other reason for which MUST may find it necessary for an incubated company to leave.

Notwithstanding anything written elsewhere, MUST decision in connection with the exit of an incubatee shall be final and shall not be disputed by any incubatee.

2.10 Periodic Assessment

The incubatee has to submit periodical auditable or agreed-upon standardized official legal documents of financial status about the activities. Further periodic assessments may be conducted and would vary depending on the stage of incubation and the incubatee status. Some representative criteria for evaluation are shown in **Annex 4: Life-Cycle Score Level Score Form**.

However, incubatees may be asked to provide more frequent updates to MUST.

2.11 Property Right (IPR) Evaluation (Copyright&Patents)

The applicant rights at MUST CITT shall be decided and governed in mutual agreement using the following:

- (i) MUST Intellectual Property Right Policy;
- (ii) National right policies;
- (iii) Any other MUST approved guidance; and
- (iv) Special MUST rights advisory committee.

The incubatee should fill out an IP declaration worksheet at the time of admission, declare the intellectual property developed and owned by the incubatee, and adhere to the following:

- (i) In the event that the incubatee is desirous of using the intellectual property of the university, like a patent, software code, copyright, design registration, developed product, he/she shall make such a request in writing to CITT. The terms and conditions for the use of such IP licensing shall be proposed by MUST CITT and decided by the university in reference to the MUST IPR Policy.

- (ii) The Incubate shall inform if any individuals / partners have worked on the technology and if their work will be incorporated into the product(s).
- (iii) The Incubate shall inform if any IP has been generated as a result of collaborative work with college / department members (who are not Incubates) being incorporated into the product(s).
- (iv) The Incubate shall inform if any university infrastructure (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).
- (v) The incubatee shall inform the college or department if there is any agreement with college / department that the IP has been assigned to the entity for commercialization.

The incubatee would maintain a register with the details of any IP (patents, licenses, copyrights, etc.) that has been brought into the entity prior to or during their stay at MUST. Also, any IP developed during the stay would be maintained in the register for the university. Notwithstanding anything written above, the MUST Intellectual Property Rights Policy will be governed by MUST. In cases of total disagreement, special CITT rights advisory committees led by the CITT Director will claim superiority.

2.12 Financial Support (Seed Fund/Loan)

The university may provide seed loans, subject to the availability of funds, grants, or schemes meant for this purpose. Seed loans will be sanctioned only to the registered companies or incubators and shall be based on the merits of each company or incubator. Furthermore, admission to MUST does not automatically entitle the incubatee to a seed loan. An incubate desirous of getting a seed loan may submit an application for a seed fund after three months from the date of admission to the university. The sanction of a seed loan will be decided based on the eligibility criteria as

recommended by MUST CITT. It would also be subject to the terms stipulated as per the seed funding guidelines as specified in **Annex 7: Seed Funding Form**.

2.12.1 Purpose of Seed Fund/Loan

A seed fund or loan will be provided for the promotion of research among teaching members, students, and innovators at the university. The seed loan is provided for the following purposes:

- (i) Procurement of equipment, tools, components, parts and consumables;
- (ii) Procurement of raw material;
- (iii) Machining cost;
- (iv) Fabrication cost;
- (v) Registration fees;
- (vi) Validation/testing; and
- (vii) Cost of any other relevant item.

MUST will have sole discretion to sanction or reject an application for a seed loan, and the decision of MUST in this regard shall be final. MUST is not bound to give any reason in case an application for a seed loan is rejected.

Though seed loans may be sanctioned at the time of approval of the proposal for admission, disbursement shall be subject to the satisfaction of the CITT Director that suitable progress has been made.

Notwithstanding anything contrary contained herein, the seed fund sanction and disbursement shall be governed by the seed fund guidelines.

2.12.2 Consideration

Charges for infrastructure and services from the incubatees will follow the rates suggested and approved by MUST-CITT. In general, liability-free (paid-up)

equity would be allocated to MUST CITT for providing incubation facilities and infrastructure services in all cases (the higher amount in percentage or minimum limit figure shall be predetermined, approved, stated, and used). This payment would be in the form of service charges and equity shares, as per the table shown in **Annex 8: Table for Infrastructural and Services Charges**. All other matters of interest and payments related to this subject are to be handled collaboratively by the MUST. And CITT may recommend the rates from time to time.

2.12.3 Business Plan

The following template shows a possible structure for a comprehensive business plan. The shown sequence is not mandatory; however, the business plan must cover all the issues listed in the template. For more details, see **Annex 9: Business Plan Templates**.

Recommended subsections in a business plan:

- (i) Introduction / Incubatee Details / Partners;
- (ii) Concept / Proposition / Product description / Business Idea;
- (iii) Need for the promotion/Market opportunity;
- (iv) Competition survey if any;
- (v) Development plan and milestones;
- (vi) Marketing plan;
- (vii) Management / Organizational chart;
- (viii) Financials Implications; and
- (ix) Risks and de-risking strategies.

2.13 Conflict and Agreement

In case of conflict of interests, the decision of the university shall be final and binding upon the parties.

2.13.1 Conflict of Interest

CITT does not guarantee to company incubated about success and/or feasibility and warrantee technology transferred from the university. MUST or CITT or any person representing MUST or CITT shall not be liable for any acts or omissions of the incubate company, however, in case of any such event the incubate company shall do all that is required to hold MUST or CITT any person representing MUST or CITT harmless from any loss including damage, penalty.

2.13.2 Agreements

Generally, the applicant at MUST has to be in the following arrangements:

- (i) Incubation agreement: containing rules and other incubation norms, consideration, equity holding, etc. (applicable to all);
- (ii) Seed fund management (as guided by the MUST Seed Fund Guidelines) Containing rules of disbursement and repayment. (Applicable to Incubatees availing Seed-Fund);
- (iii) Commercialization Agreement: Applicable to incubate using technology or an IP developed by MUST; and
- (iv) Time frames. Maximum of one month.
- (v) Mutually and provisionally agreed on rules and regulations as stipulated by MUST relative to:
 - (a) Consideration;
 - (b) Equity;
 - (c) Technology transfer and commercialization management;
 - (d) Mentorship Management; and
 - (e) Training Management.
- (vi) Allocation of the infrastructural spaces, facilities, and resources includes:
 - (a) Type, size and ownership;
 - (b) Utilization time;

- (c) Rooms, laboratories and workshops;
 - (d) Library, computers and internet; and
 - (e) Support services and staff.
- (vii) Advisory and Mentoring Programmes.
- (viii) Duration of Contract.
- (ix) Performance Dimension and Review.

The incubatees during the period of incubation at the university will get their accounts audited and their books of accounts open for inspection by the public or MUST authorities, provided MUST has requested or approved. Compliances as laid down by the relevant Acts are binding on the incubatees.

Non-compliance with the same would be subject to a penalty or strict action by MUST. Non-adherence to the warning of non-compliance by the said incubator will attract penalties as proposed and approved by MUST.

CHAPTER THREE

MONITORING AND EVALUATION

3.1 Overview

Monitoring and evaluation (M&E) of the incubation guidelines is a crucial component to ensuring the success and growth of the startups or projects being incubated. This chapter outlines a comprehensive M&E plan designed to assess the implementation, impact, and adherence to the guidelines over time. The MUST CITT is responsible for monitoring and evaluating the implementation of guidelines. To gauge the success of the Guidelines, the M&E process will include, but not be limited to, the items in Annex 10-Incubation Monitoring and Evaluation Items. Monitoring components

3.1.1 Performance Recording and Measurement

Metrics include financial performance, customer acquisition, product development milestones, and other relevant indicators as stipulated in **Forms 2 & 3**. The critical stages include idea generation indicators. The key activities include the following:

- (i) Setting the measurable objectives for monitoring according to the CITT goals;
- (ii) Updating the schedules and reporting the prototype development in weekly bases;
- (iii) Undertaking scheduled meetings;
- (iv) Reporting on resources quantity and quality;
- (v) Revieweing customized incubation programmes and exit strategy plan; and
- (vi) Follow ups on mentors and mentorships schedules.

3.1.2 Regular Reviews and reporting

The compliance level will be measured through periodic audits and assessments, evaluating the degree of adherence to the Guidelines' procedures and standards across various MUST communities and other stakeholders. Some of the issues to be reviewed and reported include:

- (i) Needs;
- (ii) Mentors sessions;
- (iii) Meetings with mentors;
- (iv) Training on specific topics; and
- (v) Challenges faced.

3.2 Evaluation Components

3.2.1 Value

The intellectual property, market potential, team capabilities, and other relevant factors contribute to the overall value proposition. Different stages must be valued to ascertain the equivalency of the CITT equity investment. Communication of the results and feedback from the assessment is important. The progress reports shall include tangible and intangible valuable items.

3.2.2 Programme

Progress against predefined and measurable goals. CITT shall ensure the planning of every activity consists of measurable and justifiable benefits in terms of inputs, milestones and outputs. The factors affecting incubates and related available non-human resources shall be considered and justified in terms of time, team members, and results.

ANNEX 1: NON DISCLOSURE FORM

This Agreement ("Agreement") is entered into on Date:, by and between:

Disclosing Party:

Name of Entity:

Name of Individual:

Address:

Email Address:

Phone Number:

Receiving Party

Name of Entity: Mbeya University of Science and Technology (MUST)

Name of Individual:

Address:

Email Address:

Phone Number:

Collectively referred to as the "**Parties.**"

Purpose: The Disclosing Part wishes to disclose certain confidential idea related to innovation, entrepreneurship or technology to the Receiving Part for the purpose of **evaluation for potential registration in the MUST CITT incubation programme.**

Confidential information: For the purposes of this Agreement, "Confidential Information" shall mean any non-public information, data, or materials disclosed by the Disclosing Part to the Receiving Part.

Obligations:

Confidentiality Obligation:

The Receiving Part agrees to keep all Confidential Information confidential and not to disclose it to any third part without the prior written consent of the Disclosing Part.

The Receiving Part shall use the Confidential Information solely for the purpose specified in this Agreement.

Exceptions:

The obligations of confidentiality shall not apply to information that is already known to the Receiving Part at the time of disclosure or becomes publicly known through no fault of the Receiving Part.

Non-Use:

The Receiving Part agrees not to use the Confidential Information for any purpose

other than the purpose for which it was disclosed.

Duration: The obligations of confidentiality under this Agreement shall continue for a period of from the effective date of this Agreement unless otherwise agreed upon in writing by both parties.

Return or Destruction of Information: Upon the Disclosing Part's written request, or the termination of the purpose for which the confidential information was disclosed, the Receiving Part shall promptly return or destroy all copies of the Confidential Information in its possession.

No License or Ownership Rights: Nothing in this Agreement shall be construed as granting any license or ownership rights in the Confidential Information, express or implied.

Governing Law: This Agreement shall be governed by and construed in accordance with the laws of [insert applicable jurisdiction].

Entire Agreement: This Agreement constitutes the entire understanding between the Parties concerning the subject matter hereof and supersedes all prior and contemporaneous Agreements, whether oral or written, between the Parties relating thereto.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date first above written.

Disclosing Part:

Signature:
Printed Name:
Date:
Place:

Receiving Part:

Signature:
Printed Name:
Date:
Place:

ANNEX 2: REGISTRATION FORM

Section I: Project/Startup Information			
1	Name		
	i. Contacts	E-mail:	
		Phone:	
2	Brief		
3	Target Market		
4	Unique Value Proposition		
5	Stage		
	i.	Idea-Concept	
	ii.	Prototype	
	iii.	Minimum Viable Product	
	iv.	Early Customer Traction	
	v.	Established Business	
Section II: Project/Startup Information			
6	Founder/Team Name		
7	Leader Name		
	i. Contacts	E-mail:	
		Phone:	
8	Relationship to CITT		
	(i) MUST Student		
	(ii) Non MUST Student		
	(iii) MUST Staff		
	(iv) Non MUST Staff		
	(v) Tanzanian Citizen		
	(vi) Non Tanzanian Citizen		
	(vii) Others		
9	Team Members and Roles, Skills and Experience		
	(i) Leader		
	(ii) Assistant 1		
	(iii) Assistant 2		
Section III: Assessment			
10	Problem-Solution		

	(i) Focus of Idea (Urban, Rural, Applied or Pure Research)		
	(ii) Target Market Size		
	(iii) Potential Customer		
	(iv) Market Trends		
	Items		Score
11	Initial Screening		
	(i) Focus of Idea (Urban, Rural, Applied or pure Research)		
	(ii) Novelty		
	(iii) Solution Type		
	(iv) Readiness, Commitment and Dedication of the Team		
	(v) Related Risks		
12	Initial Evaluation		
	(i) Market		
	(ii) Technical		
	(iii) Financial		
	(iv) Resources		
	(v) Scalability		
	(vi) Alignment with CITT Goals		
	(vii) Positive Social Impact		
	(viii) Social Responsibility		
	(ix) Team Capabilities		
	(x) IP Status		
	(xi) IP Defensibility		
	(xii) Collaborative Opportunities		
	(xiii) Association with Ethical, Regulations and Legal Compliances		
	(xiv) Positioning or Fit for the Ecosystems		
13 Declaration			
I hereby confirm that the information provided in this application form			

is accurate to the best of my knowledge. I agree with the decisions and I accept that having fulfilled the requirements does not mean that I MUST BE SELECTED.

14 Signature: _____ **Date:** _____

RECOMMENDATIONS FROM CITT

SIGNATURE:

TITLE:

ANNEX 3: DETAILED EVALUATION FORM

Section I: Project/Startup Information		
1	Name	
	Contacts	E-mail:
		Phone:
2	Brief	
3	Target market	
4	Unique Value Proposition	
5	Stage	
	vi.	Idea-Concept
	vii.	Prototype
	viii.	Minimum Viable Product
	ix.	Early Customer Traction
	x.	Established Business
Section II: Project/Startup Information		
6	Founder/Team Name	
7	Leader Name	
	ii. Contacts	E-mail:
		Phone:
8	Relationship to MUST	
	(i) MUST Student	
	(ii) Non MUST Student	
	(iii) MUST Staff	
	(iv) Non MUST Staff	
	(v) Tanzanian Citizen	
	(vi) Non Tanzanian Citizen	
	(vii) Others	
9	Team Members and Roles, Skills and Experience	
	(i) Leader	
	(ii) Assistant 1	
	(iii) Assistant 2	
Section III: Assessment		
1	Innovation and Uniqueness	Innovativeness in

		addressing the market need	
2	Market Opportunity	Quantitative Picture of Market Size	
3	Problem Definition	Clarity of Innovation	
4	Feasibility		
5	Scalability Potential		
6	Business Model	Clarity of Financial Inflows	
7	Market Validation		
8	Team Capabilities		
9	Commitment and Dedication		
10	Social Impact and Sustainability		
11	Intellectual Property (IP):		
12	Financial Viability		
13	Exit Strategy		
14	Alignment with Incubation Programme		
15	Collaboration Potential		
16	Risk Analysis and Mitigation		
17	Resource Requirements		
18	Legal and Ethical Compliance		
19	Technology Readiness Level (TRL):	Maturity and Readiness	
20	Community Engagement and Outreach		
21	Continuous Improvement and Adaptability		
22	Industry Fit		
23	Mentorship and Learning		
24	Access to Funding Opportunities		
25	Branding and Marketing Strategy		
26	Diversity and Inclusivity		
28	Measurement Metrics	Contribution to jobs creation, knowledge and the like	
29	Exit Track Records and Incubation Experience	If previously been part of another incubation programme	

13 Declaration			
I hereby confirm that the information provided in this application form is accurate to the best of my knowledge. I agree with the decisions and I accept that having fulfilled the requirements does not mean that I MUST BE APPROVED.			
14 Signature:		Date:	
RECOMMENDATIONS FROM CITT			
SIGNATURE:			
TITLE:			

ANNEX 4: INCUBATION LIFE CYCLE SCORE FORM

	Incubation Activity	Items	Focus	Score
1	Pre- Incubation			
		1 Awareness	Advertising the CITT	
		2 Application Process	Registration	
		3 Selection	Potential Incubates	
2	Orientation			
		1 Welcome Session	Introducing CITT	
		2 Agreement Signing	Entering into Contracts with CITT	
		3 Settlement Support	Informing	
3	Incubation			
		1 Mentorship and Advisory Services	Assigning sessions and mentors	
		2 Training and Workshops	Skills imparting	
		3 Access to Resources	Facilities allocation	
		4 Networking and Collaboration	Establishing and Undertaking collaborative events	
		5 Monitoring and Evaluation	Performance Indicators	
		6 Funding Support		
4	Mid-Review			
		1 Review Meeting	Reviewing and getting Feedback	
		2 Feedback and Adjustments		
5	Post- Incubation Planning			

	1	Graduation Criteria	How to attract revenue generation	
	2	Exit Strategy Planning	Exit issues	
	3	Continued Support	Alumni relationship	
6	Graduation			
	1	Graduation Ceremony	Cerebration	
	2	Show Case and Demonstration day	Events	
	3	Alumni Engagement	Alumni attachment	
7	Post-Program Support			
	1	Post-Incubation Resources	Giving back to CITT	
	2	Networking Opportunities	Collaborating back to CITT	
	3	Impact Assessment	Long term impact	

ANNEX 5: INNOVATION AND TECHNOLOGY DEVELOPMENT FORM

	Development Stages	Items	Focus	Score
1	Ideation and Conceptualization			
	1	Define Objectives and Scope	Problem and the Need	
	2	Conceptualize	Creativity	
	3	Brainstorm	Basic features	
	4	Market Viability	Cost and Technical requirements	
	5	User Analysis	Feasible Requirements	
2	Sketches/Specifications			
	1	Technical		
	2	Functional		
	3	User Experience		
3	Design Stage			
	1	Interfaces	User Friendly	
	2	Architectural	Structure and Function	
	3	Design Tools	Models	
4	IP Protection and Determination			
	1	Legal		
	2	Determine IP need		
	3	Register the IP		
5	Minimum Viable Product (MVP) Development			
	1	Fundamental Features		
	2	Testing		
	3	Refining		
	4	Assess impact		
	5	Show Case and		

		Demonstration day		
	6	Alumni Engagement		
	7	Post-Incubation Resources		
	8	Networking Opportunities		
	9	Scaling assessment		
	10	Document		
	11	Graduation Ceremony		

ANNEX 6: INCUBATION EXIT STAGE FORM

1	Items	Sub-Items	Status	Score
1	Exit Criteria Fulfillment			
	1	Financial		
	2	Market		
	3	Scalability		
	4	Market Viability		
	5	Partnership		
	6	Intellectual Property Management		
	7	Investment Fund		
	8	Impact Assessment		
	9	Stages Exit Implementation		
	10	Exit Durations		
	11	Exit Programmes		
2	Exit Paths			
	1	Technology Transfer Private Entities /Public Agencies and Entities		
	2	Spin out/off		
	3	Collaboration		
	4	License		
	5	Partnership or Joint Venture		
	6	Open Source to Society		
	7	Research or Project		
	8	Training Programmes		
3	Exit long-term Vision			
	1	IP Considerations		
	2	Legal Compliances		
	3	Documentation		
	4	Post Exit Review		
	5	Networking plan		
	6	Liabilities and Rights		

ANNEX 7: SEED FUND AGREEMENT DRAFT

This Agreement is made on this
.....

BETWEEN

....., a company registered under the Company/Innovator/Inventor/Entrepreneur/TK Holder Act or MUST CITT Regulations....., having its registered office atthrough its Director and promoters (Hereinafter referred to as ‘the company’ which expression shall, unless repugnant to the context or inconsistent with the meaning thereof, mean and include its successors, representatives, assigns etc.) of the first part;

AND

Mbeya University of Science and Technology (MUST), an organ established under the Universities Act, through its Vice Chancellor or the representative, in his stead (hereinafter referred to as ‘the MUST’ which expression shall, unless repugnant to the context or inconsistent with the meaning thereof, mean and include its representatives, assigns etc.) of the second part.

WHEREAS, MUST has established a Centre for Innovation and Technology Transfer (CITT), (hereinafter referred to as MUST CITT) or in collaboration with with a mission to foster successful innovators, entrepreneurs and develop industry in the Knowledge, Science and Technology based area.

AND WHEREAS, the Company/Innovator/Inventor/Entrepreneur/TK Holder has entered into an agreement with the MUST CITT by means of an agreement signed between the parties on for the purpose of Incubation and Technology Transfer, represented by the first part, to become a successful inventor, innovator or entrepreneur. A copy of the said Agreement is annexed hereto as Exhibit A to this Agreement.

AND WHEREAS, the Company/Innovator/Inventor/Entrepreneur/TK Holder, in the process of Incubation And Technology Transfer into a successful enterprise, is desirous of obtaining 'Seed Money Loan' from the MUST CITT for an amount of Tshs.(Tanzanian Shillings..... only) and MUST CITT has agreed to provide the said amount being 'Seed Money Loan', on the terms and conditions mentioned hereinafter and agreed to by the Company / Innovator/ Inventor/ Entrepreneur/TK Holder. The Company/Innovator/Inventor/Entrepreneur/TK Holder through CITT/DII/DEBM Approval Referencehas duly authorized the Company/Innovator/Inventor/Entrepreneur/TK Holder to seek the said loan from MUST CITT and has authorized the personnel named (.....) to execute all the documents and do all that is necessary to obtain the said "Seed Money Loan."

AND WHEREAS, The MUST shall, unless the context otherwise requires, be represented by Centre For Innovation And Technology Transfer (CITT), for the purposes of this agreement.

ARTICLE -1 CONDITIONS NECESSARY TO DISBURSEMENT OF THE LOAN

1.1 It shall be the liability and responsibility of the Company / Innovator/ Inventor/ Entrepreneur/TK Holder to mobilize the pre-incorporation expenses and minimum paid-up capital, as required by MUST.

1.2 The Company / Innovator/ Inventor/ Entrepreneur/TK Holder has agreed that entire seed capital shall be used solely for the purpose of the project, as mentioned in the Seed Fund/Loan Application and not for any other purpose. MUST shall have the power to ensure proper end use of funds and in the event that it is found that the end use of the Loan is contrary to the terms / conditions of this agreement or the loan application the loan may be recalled prematurely by MUST.

1.3 The Company shall involve at least one member of MUST faculty as _____with the company. In the event that the faculty member disassociates himself from the company due to drawbacks on account of the promoters / directors / members of the company or for any other reasons, then MUST shall have the option of recalling the loan prematurely.

ARTICLE – 2 MODE OF DISBURSEMENT OF LOAN

2.1 The disbursement schedule, as agreed between the parties is mentioned in Schedule-1 to the Agreement.

2.2 The total cumulative loan amount disbursed to the company shall in no case be more than five times the paid-up capital of the company, (paid up in cash), at the time of disbursement of a loan installment. Paid up capital allotted in kind shall not be considered.

2.3 The loan shall be disbursed/released as per the Schedule-1 (disbursement schedule) limited till the period of incubation i.e. Tshs. utill day:.....Month:.....Year..... Further loan installments shall be disbursed only if the period of incubation is extended by MUST, as per guidelines.

2.4 Notwithstanding anything contrary contained herein all dues payable by the Company / Innovator/ Inventor/ Entrepreneur/TK Holder to MUST or MUST shall be deducted from the sanctioned Seed Money Loan and balance amount, if any shall be disbursed to the Company / Innovator/ Inventor/ Entrepreneur/TK Holder.

ARTICLE – 3: REPAYMENT OF THE LOAN AND INTEREST

3.1 The Interest on Seed Capital loan shall be levied atSimple/Compound Interest. (The Interest rate is calculated as per the lending rates charged by a Public Bank operating in Tanzania (at the rate of)) or by a bank and rate as may be approved by the MUST. The Interest rate remains fixed for the tenure of loan. The Interest shall be payable periodical in accordance with the agreed terms as negotiated and approved by the parties.

3.2 The negotiation should state the grace period for the repayment schedule. The repayment shall commence from the agreed and stated date as per negotiations.

3.3 The proposed and negotiated interest and agreed penalties on the loan disbursed

shall be applied stated in negotiation minutes.

3.4 The Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall repay the principle amount of the Loan strictly in accordance with the MUST Repayment Schedule Agreement/Commitment. This repayment schedule shall be appended in Minutes of Negotiation to this Agreement.

3.5 Notwithstanding the above, if the Company / Innovator/ Inventor/ Entrepreneur/TK Holder decides to exit from the incubation before the specified period, the Company / Innovator/ Inventor/ Entrepreneur/TK Holder undertakes to repay the entire loan and interest due thereon prior to the exit from the incubation centre.

3.6 If the Company / Innovator/ Inventor/ Entrepreneur/TK Holder raises loans from other lenders/ financial institutions, repayment of such other loans shall commence only after the repayment of the Seed Capital Loan obtained by the Company / Innovator/ Inventor/ Entrepreneur/TK Holder pursuant to this agreement and interest due thereon.

3.7 If the Company / Innovator/ Inventor/ Entrepreneur/TK Holder in convenience or as approved by the MUST, wishes to exit from contract, the Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall MUST inform and negotiate the exit terms as proposed by MUST.

3.8 NOTWITHSTANDING anything contrary contained herein, the MUST shall issue guidance on the liability and equity terms, to ensure the guarantee of seed-capital amount in agreement.

Subsequently after the company utilizes the seed-capital or its exit from the incubation center, whichever is earlier, MUST shall compute the equity to be retained in accordance with repayment option selected together with any outstanding unpaid amount against incubation including seed capital and transfer the balance equity back to the MUST. Once the company repays the entire seed capital amount MUST shall transfer shares taken as guarantee, back to the Company / Innovator/ Inventor/ Entrepreneur/TK Holder.

ARTICLE – 4: SECURITY

4.1 MUST shall at all times hold a lien on all the tangible and intangible assets (IPR, Patent, Trademark, etc.) of the Company / Innovator/ Inventor/ Entrepreneur/TK Holder till such time that the Loan is fully repaid by the Company / Innovator/ Inventor/ Entrepreneur/TK Holder. As additional security, the promoters / directors / members of the Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall stand guarantee/commitment in their personal capacity for repayment of the seed capital loan in full by executing a Bond of Guarantee/Repayment Approved Commitment at the time of executing the Agreement of loan.

4.2 The Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall ensure that a charge over the tangible and intangible assets is registered in favour of MUST prior to the release of the first installment of the loan.

4.3 In the event that the Company / Innovator/ Inventor/ Entrepreneur/TK Holder raises loans from other financial institutions or any other agency by securing its assets, the charge created in favour of MUST shall be a First Charge over the tangible and intangible assets of the Company / Innovator/ Inventor/ Entrepreneur/TK Holder. Loans from other financial institutions or any other agency can be given Second Charge over the tangible and intangible assets of the company.

ARTICLE – 5: COVENANTS

5.1 Particular affirmative covenants:

(a) The Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall utilize the entire loan only for the purposes as mentioned in the Loan Application, described in Schedule-3 to this agreement.

(b) The Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall maintain an asset register of assets procured from the loan.

(c) The Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall ensure that the physical progress of the project as well as the expenditure incurred on the project is as per the original schedule. To this end, the Company / Innovator/ Inventor/ Entrepreneur/TK

Holder agrees to submit information to the MUST on Periodical basis as negotiated and approved by Director in a format as may be prescribed by MUST, and such other information and data as may be required by the MUST from time to time.

(d) The Company / Innovator/ Inventor/ Entrepreneur/TK Holder hereby undertakes to submit information to the MUST about all material changes or developments taking place in their entities from time to time such as (but not limited to) change in name, fund raised from any third party, company, change in project or product profile, change in directors or promoters, acquisition of a new office etc. The MUST has the right to require the Company / Innovator/ Inventor/ Entrepreneur/TK Holder to seek its prior approval wherever necessary and to require any reasonable additional condition as the MUST CITT in its absolute discretion deem fit for effecting any change as stated herein above.

(e) The Company / Innovator/ Inventor/ Entrepreneur/TK Holder will submit reports to the MUST within a negotiated and MUST Approved period from stated date relative to the University Almanac (The period shall not be more than two weeks).

(f) The Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall submit a Seed Fund utilization documentation to MUST as instructed by the MUST for release of subsequent installments. MUST shall have the right to get the documents so submitted, and fully verify. In such a case the Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall fully co-operate with the MUST in providing related and required information.

(g) The Coordinator, CITT will be welcomed on the board of the Incubate Company by passing a board resolution a copy of which will be submitted to CITT, MUST for the purpose of records. The tenure of the Coordinator, CITT on the board of the Incubate Company will be till such time that the seed capital is repaid by the said Incubate Company.

5.2 Negative covenants:

(a) The Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall not utilize the loan for:

- i. Repayment of dues of promoters and their associates ,
- ii. Repayment of loan from any other source nor for payment of interest on the loan borrowed from such other source,

- iii. For extending loans to promoters, their associates
- iv. For making any inter corporate deposits or any speculative purpose,
- v. Personal benefit of promoters or their association.

(b)The Company / Innovator/ Inventor/ Entrepreneur/TK Holder agrees that the MUST shall have right to review or cancel the un-disbursed portion of the Seed Capital Loan subject to the performance of the Company / Innovator/ Inventor/ Entrepreneur/TK Holder. Further, if, as a result of such review, the MUST determines that the Company / Innovator/ Inventor/ Entrepreneur/TK Holder has not progressed or is unlikely to progress in its performance, the MUST CITT shall have the right to revise the terms of sanction and stipulate such additional condition as the MUST in its absolute discretion deem fit and require the Company / Innovator/ Inventor/ Entrepreneur/TK Holder to take such measures as may be stipulated by the MUST.

(c)The Company / Innovator/ Inventor/ Entrepreneur/TK Holder agrees that non compliance of the above terms and conditions may invite a legal action from the MUST and may force the Company / Innovator/ Inventor/ Entrepreneur/TK Holder to exit from the incubation centre.

ARTICLE – 6: REMEDIES AVAILABLE TO MUST CITT

If one or more of the events specified in this article (here in after called “events of default”) shall have happened then the MUST by a return notice to the company may declare the entire Seed Money Loan given and all accrued interest on the loan that may be payable by the company under or on terms of this agreement and/ or any other agreements, or documents subsisting between the company and the MUST as well as all other charges and dues to be due and upon such declaration the same shall become due and payable forthwith, notwithstanding anything to the contrary in this agreement or any other agreement (s) or document (s).

6.1: Events of default:

(a) Payment of Dues.

Default shall have occurred in repayment of principal amount and interest thereon and on payment of any other amount due and payable to MUST in terms of this agreement and /or

in terms of any other agreement (s) or document (s) that may be subsisting or that may be executed between the Company / Innovator/ Inventor/ Entrepreneur/TK Holder and the MUST here after.

(b) Performance of Covenants.

Default shall have occurred in performance of any other covenants, conditions and agreements on the part of the company under this agreement or any other agreement (s) between the company and MUST in respect of this loan and for any other loan and such default shall have continued over the period of 60 days after notice there of shall have been given to the company by MUST.

(c) Supply of Misleading Information.

Any information given by the company prior to or during the course of incubation & interaction with the MUST under this or any other agreement is found to be misleading or incorrect in any material respect.

(d) Inability to Pay Loan.

If there is reasonable apprehension that the borrower is unable to pay his dues or proceeding for taking him into insolvency has been commenced.

(e) Sale or disposal of Property.

If the Company / Innovator/ Inventor/ Entrepreneur/TK Holder's properties on which the MUST has lien is sold, disposed of, changed, encumbered or alienated.

(f) Attachment or restraint on Property.

If an attachment or restraint is levied on the property or any part thereof and/or recovery certificate proceedings are taken or commenced for recovery of any dues from the Company / Innovator/ Inventor/ Entrepreneur/TK Holder.

(g) Failure to furnish information/documents.

If the Company / Innovator/ Inventor/ Entrepreneur/TK Holder fails to furnish information/documents as required by MUST under the provisions of this agreement.

6.2 Bankruptcy or Insolvency

If the Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall become bankrupt or insolvent, the principal and all accrued interest on the loan and any other dues shall thereupon become due and payable forthwith and may be recovered by possessing and disposing off the assets of the company on which MUST holds lien, anything in this Agreement to the contrary notwithstanding.

6.3 Notice to MUST on the Happening of an Event of Default

If any event of default or any event which, after the notice or lapse of time or both would constitute an event of default shall have happened, the Company / Innovator/ Inventor/ Entrepreneur/TK Holder shall forthwith give MUST notice thereof in writing specifying such event of default, or such event.

6.4 Expenses of Preservation of Assets of the Company / Innovator/ Inventor/ Entrepreneur/TK Holder and of Collection:

All costs incurred by MUST after an event of default having occurred in connection with:

- (i) Preservation of the Company / Innovator/ Inventor/ Entrepreneur/TK Holder's assets (whether now or hereafter existing);
- (ii) Collection of amounts due under this Agreement
- (iii) Legal or any other expenses incurred in recovering the amount outstanding and interest thereon, or
- (iv) Expenses of any kind incurred in this context shall be recovered from the Company / Innovator/ Inventor/ Entrepreneur/TK Holder or its promoters and reimbursed to MUST CITT.

6.5 Issue of certificates

MUST CITT may issue any certificate as regards payment of any amounts paid by the Company / Innovator/ Inventor/ Entrepreneur/TK Holder to MUST in terms of this Agreement only if the Company / Innovator/ Inventor/ Entrepreneur/TK Holder has paid

all amounts due under the Agreement to MUST and the Company has complied with all the terms of this Agreement.

6.6 Communication with third party

In the event of default MUST shall be entitled to communicate, in any manner it may deem fit, to or with any person or persons with a view to receiving assistance of such person or persons in recovering the defaulted amounts. Also, representatives of the MUST shall be entitled to visit the property and/or any place of work of the Company / Innovator/ Inventor/ Entrepreneur/TK Holder.

ARTICLE - 7: WAIVER

7.1 Waiver not to impair the Rights of MUST

No delay in exercising or omission to exercise, any right, power or remedy accruing to MUST CITT upon any default under this Agreement or any other Agreement or document shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default; nor shall the action or inaction of MUST in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of MUST in respect of any other default.

ARTICLE – 8: MISCELLANEOUS

8.1 Modification/Alteration of the Agreement

The terms of this agreement can be modified/ altered in writing under signatures of respective representatives from the MUST CITT and the Company / Innovator/ Inventor/ Entrepreneur/TK Holder.

8.2 Resolution of Disputes and Differences

In case of dispute or differences arising in connection with this Agreement, the parties hereto shall refer the subject matter of contention for a compulsory arbitration before the arbitrator proposed by the Director, MUST whose decision shall be final and binding on both the parties. The agreed and approved arbitrator shall issue notice to either parties listing the matters of disputes and invite relevant evidences and submissions and give his

decision based on the written submissions of the parties. The place of the arbitration shall be MUST and principle of equity, faith and good conscience shall apply basing on the ITT Policy.

8.3 Applicable Law :

This agreement shall be governed by the laws of Tanzania.

8.4 Negotiation Complements:

8.4.1. Negotiation Schedules

The following documents form Negotiation Supplements to this Agreement and incorporated by reference:

Negotiation Schedule – 1: The disbursement Plan as mutually agreed by the parties.

Negotiation Schedule - 2: Repayment Schedule & Project Management Committee guidelines containing payment Option Company’s letter datedexercising the option.....

Negotiation Schedule - 3: Loan Application of the Company

Negotiation Schedule – 4: Board resolution of

Negotiation Schedule – 5 –A: Agreement Action dated.....between the Company / Innovator/ Inventor/ Entrepreneur/TK Holder and the MUST.

In witness whereof parties hereto have signed this agreement on the date and year mentioned hereinbefore.

For & on behalf of
Company / Innovator/ Inventor
/ Entrepreneur/TK Holder

For & on behalf of MUST

.....

.....

Signature

Signature

Name:

Name

Designation:

Designation:

Seal

Seal

Approved Witness (Name & Contact)

Witness (Name& ddress)

1.

1.

2.

2.....

Date

Date

8.4.2 Negotiation Schedule – 1: Disbursement Plan

1. Thewill be given a total seed fund of subject to following:

a. The disbursements will be made for the(Period) expenses of the company as given below.

b. A total loan of Tshs. will be disbursed to the company for the expenses up to.....

c. Disbursement of loan for expenses in the month of Year..... and onwards will be subject to the extension of incubation period of the company, which is ending in the month on of Year.....

2. In no case the loan disbursement will be made for the expenses beyond incubation period.

8.4.3 Negotiation Schedule 2: Repayment of Loan and Interest

1. The Loan Amount as calculated on the option chosen by plus interest for the moratorium period of months (calculated on a compound/simple interest as given in the Options) would be paid back with such simple interest annually calculated at monthly rests, for the tenure of the loan. The loan amount along with interest will be repaid in (Equated

Monthly Installments-EMI).

2. The repayment will start:
 - a. After months from the date of first disbursement of loan or
 - b. As soon as the company makes operating profits and is in a position to service the loan, whichever is earlier.
3. Any default of EMI would be subject to a further penal interest @..... % per annum for the period of default of payment of EMI.
4. The payment criteria for interest and principle as per the Option-..... chosen by thevide letter dated, which is detailed in Terms of financial support placed as Annexure- I.

8.4.4 Negotiation Schedule 3: Terms of financial support

Following are the options in view of the rate of interest, loan and equity components, repayment criteria etc.:

1. Option – I:

Full amount would be paid back with an interest, which will be Prime Lending Rate (PLR) of Public Bank operating in Tanzania (on the date of sanction) less% and remains fixed for the tenure of the loan. The loan amount along with interest will repaid in EIs (Equal Installments) and the repayment will start after months from the date of first disbursement of loan.

2. Option – II:

a.% of the total seed fund sanctioned will be interest free loan, repayment of which would start after 18 months from the date of first disbursement of loan. The component will be repaid in EIs.

b.% of the total seed fund sanctioned would be convertible into equity (@% equity against loan up toTshs) at par.

3. Option – III

a.% of the total seed fund sanctioned will be a loan and will repaid back with an interest of PLR less%. The loan amount along with interests will be repaid in EIs (Equal Installments) and the repayment will start after 18 months from the date of first disbursement of loan.

b.% of the seed fund sanctioned would be convertible into equity (@.....% equity against loan up toTshs) at par.

The company would have option to choose any one of the options are stated above and communicate to MUST in writing. Once the option is chosen and communicated by the company, in no case it can be changed. In case of default payment, the entire loan amount will be converted into equity of% at par.

In addition to the nominee director from MUST against the incubation equity, there shall be one more nominee director from MUST for the equity against seed fund disbursed.

8.4.5 Negotiation Schedule 4: Terms of Repayment

Place:..... Date :.....(Day) (Month) (Year) of loan agreement

Rate of Interest (Tick, whichever is applicable)

1. Public Bank Operating in Tanzania (PBOT) Prime Lending Rate (PLR) as on the date of Agreement less% (Option I)
2. Nil Rate of Interest (Option II)
3. PBOT PLR as on the date of Agreement less% (Option III)

Name of the Borrowing Entity

Address of the Borrowing Entity

Amount of Loan

Amount Figures Tshs:(Amount in Words: Tanzanian Shillings
.....
.....only)

Interest information

- a) SBI PLR : _____% p.a. (as on the date of Agreement).(PLR notice attached)
- b) SBI PLR less _____% p.a. = _____% p.a.
- c) Pre-EI Interest% p.a.
- d) Penalty Interest on delayed payment% per .annum.
- e) Cheque Dishonour Charges/ missed payment charges Tshs./- or charges actually deducted by the bank to MUST whichever is more. Repeated Cheque dishonor will attract strict legal action

EI may be calculated on the basis of Weekly/Monthly/Yearly or as proposed and approved by MUST.

Amortization information

- a) Terms of repayment Months
- b) Moratorium Period months from the date of disbursement of 1st Installment.
- c) EI Tshs./*
- d) Number of EI's
- e) Date of Commencement of EI
- f) Due date of payment of first EI

*will be applicable when the full disbursement is availed by the Incubate Company / Innovator/ Inventor/ Entrepreneur/TK Holder or the disbursement is reduced subject to the expiry of the Incubation tenure.

Loan Procedure/ Process

The banking activities and authorization will be proposed by MUST, for the purpose of the operation of the Seed Capital Account.

ANNEX 8: INFRASTRUCTURAL AND SERVICES RECORDS

	Items	Sub-Items	
1	Program Details		
	1	Title	
	2	Duration in Years	
		Start Date	
		End Date	
	3	Objectives	
	4	Location(s)	
	5	Exit Programmes	
2	Participant Information		
	1	Name	
	2	Contact information	
	3	Spin Off/Company or startup name (if applicable)	
	4	Brief description	
3	Payment Details		
	1	Total amount due for infrastructural and services charges	
	2	Accepted payment methods	
4	Terms and Conditions		
	1	Refundable deposits	
	2	Deadline for payment of charges	
	3	Penalties for late payment or non-payment	
	4	Withdrawal Policy/Rules to be used	
5	Infrastructures and Services Available		
	1	Mentorship and Coaching	
	2	Meeting Rooms and Event Spaces	
	3	Internet Access	
	4	Office Space	
	5	Utilities	
	6	Internet Access	

	7	Meeting Rooms and Event Spaces	
	8	Mentorship and Coaching	
	9	Training and Workshops	
	10	Networking Opportunities	
	11	Access to Funding and Resources	
	12	Business Incubation Services	
	13	Access to Industry Networks	
	14	Access to Alumni	
5	Contact Information		
6	Authorization and Signature		

Table 2: Infrastructural and Services charges for

Sn	Item	Size Unit	Qty	Unit per Rate	Approved Charge

ANNEX 9: BUSINESS PLAN FORMS

	Items	Focus	
1	Executive Summary		
	1	Overview of the idea,	
	2	The problem being addressed	
	3	The solution offered	
	4	Target market	
	5	Unique value	
2	Business Description		
	1	Vision and Mission	
	2	Core Values	
	3	Objectives	
	4	Alignment with MUST	
3	Market Analysis		
	1	Target market, market trends, opportunities, and challenges	
	2	Understanding of the Industry	
	3	Customer Needs	
	4	Competitive Advantages	
4	Products or Services, Marketing and Sales Strategy		
	1	Refundable deposits	
	2	Deadline for payment of charges	
	3	Penalties for late payment or non-payment	
	4	Withdrawal Policy/Rules to be used	
5	Financial Projections		
	3	Internet Access	
	4	Office Space	
	5	Utilities	
	6	Internet Access	
	7	Meeting Rooms and Event Spaces	

	8	Mentorship and Coaching	
5	Risks	Potential Risks and Challenges	
6	Exist Strategy	Investors Attraction strategy	
7	Supporting Documents		
8	Strategic and Action Plan		
9	Any other necessary effort needed by MUST		

ANNEX 10: INCUBATION MONITORING AND EVALUATION ITEMS

	Items	Focus	Score
1	Number of Incubated		
	1	Ideas	
	2	Start-Ups	
	3	MVPs	
	4	Entrepreneurs	
	5	Technologies	
2	Productivity in		
	1	Funding Raising	
	2	Employment Generation	
	3	Time to Market	
	4	Customer Satisfaction	
	5	Collaborations and Partnerships	
3	Success Rate of Startups		
	1	Ideas	
	2	Start-Ups	
	3	MVPs	
	4	Entrepreneurs	
	5	Technologies	
4	Diversity and Inclusion		
	1	Demographic	
	2	Representation	
	3	Inclusive Programmes	
5	IP Creation and Protection		
	1	Registered, Grangted or Assets	
	2	Trainings	
9	Any other necessary effort needed by MUST		

APPROVAL

At its 42ND Meeting held on 12th day of February 2024, the Senate of Mbeya University of Science and Technology RECEIVED, DUSCUSSED and APPROVED the Guidelines for Innovation, Entrepreneurship and Technolgy.

Prof. Aloys N. Mvuma

CHAIRPERSON

Adv. Lugano Mwakilasa

SECRETARY