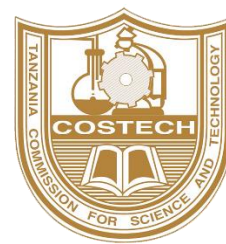


UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND
TECHNOLOGY
COMMISSION FOR SCIENCE AND TECHNOLOGY



ISO 9001 : 2015 Certified

**CREDIT WINDOW UNDER THE NATIONAL FUND FOR ADVANCEMENT OF
SCIENCE AND TECHNOLOGY (NFAST) TO SUPPORT COMMERCIALIZATION OF
INNOVATIONS IN COLLABORATION WITH CRDB BANK FOUNDATION**

**INVITATION TO APPLY FOR LOAN TO SUPPORT COMMERCIALIZATION OF
INNOVATION AND ELIGIBILITY**

1. Background

Tanzania Commission for Science and Technology (COSTECH) is a public institution established by an Act of Parliament No. 7 of 1986. It is the principal mandate to advise the Government on matters related to science, technology and innovation in Tanzania. Also, Part V of the Act established the National Fund for the Advancement of Science and Technology (NFAST) with the purpose of financing research and technology development by a way of grant or loan. NFAST has been supporting research and innovation through grant financing guided by research and innovation grants manual. The credit financing initiative has come to accommodate recent developments in innovation ecosystem which demands investment for market penetration of innovation products developed by Tanzanians; especially those developed to a minimum viable products and market ready products. There have been inadequate funds to de-risk innovators who cannot access conventional finances from existing fund schemes and financial institutions. Also, there is a lack of funds to facilitate improvement of all innovation products, services and processes to the level that can compete in the market. Therefore, the window is open to facilitate market penetration of Tanzania Innovations to enable their competitiveness.

2. Rationale for the special credit window under NFAST

Research and innovation support through NFAST has been done through the provision of grants to researchers and innovators across Tanzania. This grant financing and the improvement of research environment have increased the number of research and

innovation products that are advancing to market; and hence necessitated the establishment of this special commercialization fund in collaboration with CRDB Bank Foundation to accommodate market penetration of research and innovation products. This special window will serve to; -

- (i) Promote commercialization of research and innovation products in Tanzania
- (ii) Attract more financing opportunities within and outside Tanzania for supporting commercialization of research and innovation products.
- (iii) De-risk innovators and unlock them to commercial funding from commercial banks

3. Eligibility criteria

The scheme is open to Tanzanian innovation startups who meets the following criteria; -

- (i) Has Minimum viable product or market fit product for their innovation
- (ii) A locally registered business entity emanating from innovation or research activities, majority owned by Tanzanian citizens and with main office in the United Republic of Tanzania;
- (iii) Has a viable business dealing with production, processing, manufacturing, technology development or any other identified value addition business, provided that it has undergone a thorough COSTECH and Partner Financial Institution credit assessment and qualifies
- (iv) The business has the potential of creating employment, generating tax revenue thus contributing to the country's economic growth
- (v) Can offer any enforceable collateral including personal guarantee and third-party guarantee
- (vi) Must have a positive credit score
- (vii) Has potential to attract commercial funding once the innovation is de-risked
- (viii) Has demonstrated financial traction

4. Application Process

A. Interested applicants are invited to submit their applications through filling a prescribed form attached in <https://cgs.costech.or.tz>; and <https://www.crdbbankfoundation.co.tz/> describing the following details:

- (i) Basic information about a startup or business
- (ii) Nature of the business entity
- (iii) The sector to which the business covers
- (iv) Stage of innovation
- (v) Project/business description
- (vi) Business financial projection
- (vii) Purpose of the loan
- (viii) Sources of repayment
- (ix) Repayment period
- (x) Existing loans and grants
- (xi) Security offered

B. The submission may contain Appendixes and relevant documentation that applicants shall be required to attach through the system. The attachments may contain the following as listed in the table; -

S/N	DOCUMENT
1.	Duly filled loan application form
2.	Applicant's loan application letter
3.	Recently borrower's photograph (Passport size)
4.	Business Plan
5.	Technical Proposal
6.	Copy of valid business license
7.	Copy of Tax Identification Number
8.	Company registration certificate
9.	Contract/Agreements (if any)
10.	Copy of national identification card/number
11.	Copy of Memorandum of Understanding and Articles of Association
12.	Partnership deed
13.	Lease agreement in case the business under consideration operates in rented premises
14.	Cash flow projections for the next 3 years supported by all necessary assumptions
15.	Audited financial statements or Management Accounts for the startups for at least one year

16.	Bank statements for the applicant's account(s) maintained with his/her principal bankers for the past 12 months
17.	Stock list(s) endorsed by the applicant and BM with name, date and location respectively. This will depend on facility request and volume of stocks if can be practically verified.
18.	All other correspondence pertaining to the customer i.e. LATRA, TMDA, EWURA, PURCHASE INVOICE, etc.
19.	BRELA Search/annual field return to BRELA (<i>All limited liability companies regardless of the amount</i>)
20.	Board/partner resolution
21.	Certificate of registration of partnership
22.	Extract from registral of business names (showing names of the partners and those who are authorised to seek funds)

5. Evaluation process

S/N	Stage	Sub-activities	Remarks
1.	Onboarding	Screening	This will involve eligibility check to ensure applicants have dully filled the application form and managed to attach all relevant documents
		Review	Perform detailed evaluation of the submitted proposals including technical and preliminary business viability
		Due diligence	Physical visit for verification of business
2.	Underwriting	Appraisal	Credit appraisal of the applications including through examination of the applications. The 5Cs credit cardinals may be used.
		Loan decision	The decision on the loan through governing authorities
		Documentation	Development and store of documents such as loan agreement

		Capacity building	Technical and financial support to eligible loan beneficiaries' prior disbursement
		Disbursement	Disbursement of funds after successful attainment of preceding stages

6. Activities that may be Applied for

Applicants are invited to apply loans embedded in the following loan products; -

- (i) Procurement of equipment, machine and other fixed assets;
- (ii) Overdraft to assist the beneficiary with expenses such as salaries, wages, taxes, fees, rent, inventory purchases, and other operational costs
- (iii) Provision of matching funds for an innovation that has secured a grant facility that requires contribution and partner to execute or scale up operation of an innovative product/service; for an innovator or loan beneficiary has raised funds that requires matching fund from another source
- (iv) The collateral for the loan will be the asset itself and or any other collateral as will be provided in the framework agreement.

7. Mode of application

- (i) Interested applicants' institutions shall submit their applications through <https://cgs.costech.or.tz> or <https://www.crdbbankfoundation.co.tz/>
- (ii) Call opens on 5th May 2025
- (iii) Call closes on.....(if any)
- (iv) When need arise, applicants shall be communicated to submit missing required information

8. Glossary

“Innovation” -means a new or improved product or process (or combination thereof) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by unit (process).

“Minimum Viable Product (MVP)” - means a technology product with just enough features to satisfy early customers and provide feedback for future development;

Product Market Fit (PMF)” - means a market ready product with features that are satisfactory to customers interests

“Startup” - Startup is defined as emerging businesses from research/innovation and technology which are in the early stages of operations and only owned by Tanzanians.